



(SIMPLIFICATION
OF
PUBLIC WORKS ACCOUNT CODE

REPORT
OF THE
WORKING GROUP
SET UP BY
COMMITTEE ON ADMINISTRATION

March 1963

ORGANISATION & METHODS DIVISION
DEPARTMENT OF CABINET AFFAIRS
CABINET SECRETARIAT

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REPORT OF THE WORKING GROUP FOR SIMPLIFICATION OF THE PUBLIC WORKS ACCOUNT CODE

CHAPTER I

INTRODUCTORY

1.1 Appointment and Constitution of the Working Group.

1.1.1. At the instance of the Committee on Administration, who have been considering various measures to bring about improvements in administration, the Government of India in their Department of Cabinet Affairs, O. & M. Division, Office Memorandum No. 40/2/62-O&M dated 2nd May, 1962, set up a Working Group under the Chairmanship of the representative of the Comptroller and Auditor General of India, for simplification of the Public Works Account Code.

1.1.2. The Working Group was to consist of the following:

Chairman

- (i) Shri A. K. Mukherji, Additional Deputy Comptroller & Auditor General.

Members

- (ii) Shri R. N. Vasudeva, Director, O. & M. Division.
- (iii) Shri U. J. Bhat, Chief Engineer, Gujarat.
- (iv) Shri B. K. Guha, Additional Chief Engineer (I), C.P.W.D.
- (v) Shri D. P. Karnik, Deputy Secretary, Ministry of Works, Housing & Supply.

Secretaries

- (vi) Shri T. S. Vedagiri, Superintending Engineer, Committee on Plan Projects & Secretary, Buildings Projects Team.
- (vii) An officer of the Indian Audit & Accounts Department to be nominated by the Chairman.

1.1.3. Shri P. K. Biswas, Asstt. Comptroller & Auditor General (Admn.) [later re-designated as Deputy Director (Admn.), in the office of the Comptroller & Auditor General] was nominated by the Chairman as the second Secretary.

1.1.4. The Government of Gujarat could not spare the services of Shri U. J. Bhat due to his heavy preoccupation with the works in that State. Accordingly, he did not serve as a member of the Working Group.

1.1.5. At the first meeting of the Working Group held on 16th May, 1962, we felt that though the scope of its work did not cover simplification of procedure in the M.E.S., the association of a repre-

sentative of the M.E.S. in our work would be of great help in the consideration of a simplification of the Public Works Accounts procedure. It was accordingly decided to invite the M.E.S. to send a representative to be associated in our deliberations, and Col. G. Benjamin, Deputy Director (Planning), Engineering-in-Chief's Branch, Army Headquarters, was nominated by the Engineering-in-Chief as the representative of the M.E.S.

1.2 Scope of work and procedure followed.

1.2.1. We considered the question of associating some State Chief Engineers in our work and consulting representatives of Public Sector Projects which have been keeping their accounts on the Public Works pattern, but felt that it would be better to confine our deliberations to the simplification of the Central Public Works Account Code in the light of the needs of the C.P.W.D. As all States have adopted the Central Public Works Account Code with some minor modifications for their Public Works Departments, the recommendations of the Working Group can easily be adopted by the State Governments also. We also decided against the issue of any questionnaire as the adoption of such an elaborate procedure was likely to delay the conclusion of our deliberations and investigation considerably. We therefore decided that when the Report of the Working Group is prepared, it may be circulated to the State Governments for their separate consideration. As for the Public Sector Projects, the problems faced by them were not in all cases the same and it is for the project authorities to decide individually to what extent they should adopt the Central Public Works Accounts procedure. Similarly, it will be for the M.E.S. to consider whether they can profitably review their own procedure in the light of any of the recommendations made in this Report.

1.2.2. The system of Public Works accounting obtaining in this country has evolved over a period of about a century and has stood the test of time. Though it has been reviewed from time to time, and modifications in the procedure have been carried out in the light of such reviews, it has basically remained intact. It would not therefore have been appropriate for this Working Group to consider the replacement of the present system by an entirely different one. Since conditions in this country are quite different from those obtaining in the more advanced countries in the West, it would also be futile to transplant an entire system borrowed from abroad.

1.2.3. At the same time the fact remains that the existing procedures were laid down at a time when the number of public works in this country were comparatively very few and the need for urgency of execution was much less. The position has undergone a sea change. Huge volume of constructional activity is being handled by the Central and State Public Works Departments with the result that proper attention is not being given to many prescribed processes of accounts keeping. In view of the need for simplification of the accounting processes without sacrificing the essentials for maintenance of correct accounts of works expenditure, our approach has been to take the difficulties and problems of the Public Works

Divisions into account and eliminate non-essential items and processes of work without disturbing the basic structure of Public Works Accounts.

1.2.4. To start with, we constituted a small unit consisting of our two Secretaries, Shri Vedagiri and Shri Biswas, and Shri V. K. Bhussry, an officer of the I.A.&A.S. and Under Secretary, Ministry of Finance (Special Reorganisation Unit), whose services were made available to us by our colleague, Shri Vasudeva, to consult a few Executive Engineers to obtain useful field material for the use of the Committee. This unit met a number of Executive Engineers in charge of Construction, Maintenance and Central Stores Divisions and discussed with them the various difficulties and problems faced by them in the maintenance of account records and the directions in which the accounts could be simplified without sacrifice of efficiency. It also visited the office of a Garrison Engineer, M.E.S., to study the stores accounting procedure obtaining in the M.E.S. On the basis of these preliminary studies, it was possible for us to proceed to consider various proposals and ideas for the simplification of the Public Works Accounts. We also made use of the results of previous studies, such as the Report of the Rates and Costs Committee (1956). Of invaluable assistance to us was also the experience of the officers of the Special Reorganisation Unit and the Buildings Projects Team of the Committee on Plan Projects (Planning Commission) who had conducted work studies in Divisions of the Central and State Public Works Departments and Public Sector Undertakings. Some of the members of our Working Group had already served on the Panel of Engineers set up by the Buildings Projects Team who have since produced a Report on Public Works Administration. This also accounts for the fact that some of the recommendations made in that report and those made by us in the succeeding chapters are along the same lines.

1.2.5. Before finalising our conclusions, we visited one Construction Division and two Stores Divisions to ascertain the actual procedure in certain respects and discussed with the Executive and Superintending Engineers concerned some of the suggestions we proposed to make.

1.2.6. Our recommendations are indicated in the succeeding chapters. Wherever necessary, a recommendation has been prefaced by a brief description of the existing procedure, the difficulties experienced in observing it and the reasons for the change recommended. A summary of the recommendations has been furnished in the concluding chapter.

1.3. Acknowledgements.

1.3.1. We take this opportunity of thanking the officers and staff of the offices of the C.P.W.D. and the M.E.S. for the cooperation extended by them in supplying the information required by us and in particular for receiving us, often at very short notice, and for finding time to elucidate the points raised by us.

1.3.2. We are particularly grateful to Col. Benjamin for finding time to attend our meetings and for acquainting us with the procedure in the M.E.S. and throwing light on many aspects of that procedure.

1.3.3. We would also wish to place on record our appreciation of the valuable assistance rendered by Shri V. K. Bhussry, Under Secretary, Ministry of Finance (Special Reorganisation Unit), Shri K. S. Trehan, Senior Analyst, Special Reorganisation Unit, Shri P. S. Krishnaswamy, Deputy Secretary, Buildings Projects Team, Shri Lakshmi Narain Gupta, Assistant Accounts Officer of the Team and Shri D. R. S. Madan, Financial Assistant to the Additional Chief Engineer (I), and the hard work put in by Shri K. L. Dhall, Assistant Superintendent of the Office of the Comptroller & Auditor General of India in connection with our work. Our thanks are also due to the officers and staff of the O. & M. Division of the Cabinet Secretariat for the secretarial assistance rendered.



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CHAPTER II

WORKS ACCOUNTS

2.1. *Different stages in the execution of Works.*

2.1.1. There are four main stages in the project for a work, namely administrative approval, expenditure sanction, technical sanction, and the appropriation or reappropriation of funds. These stages are explained below :—

(i) *Administrative Approval*

2.1.1. For every work (excluding petty works, repairs, etc.), it is necessary to obtain, in the first instance, the concurrence of the competent authority of the administrative department requiring the work. The formal acceptance of the proposal by that authority is termed “administrative approval”, which is based on an approximate estimate of cost and preliminary plans.

(ii) *Expenditure sanction*

2.1.3. This means the concurrence of the Government of India in the proposed expenditure. The Chief Engineer, C.P.W.D., is now empowered, subject to certain restrictions, to accord this sanction upto Rs. 25 lakhs and the Administrative Ministry concerned upto Rs. 50 lakhs. For works estimated to cost not more than Rs. 20,000, the act of appropriation or reappropriation of funds itself operates as sanction to the expenditure concerned. The duty of obtaining expenditure sanction rests with the department requiring the work. (In some States, the administrative approval to a work, which is given with the concurrence of the Finance Ministry or Department, where such concurrence is necessary, constitutes financial sanction, and no separate expenditure sanction is required).

(iii) *Technical sanction*

2.1.4. Except for petty works and repair works for which a lump sum has been sanctioned, a properly detailed estimate is prepared for each work for sanction of the competent authority. This sanction is known as the technical sanction to the estimate and amounts to no more than a guarantee that the proposals are structurally sound and that the estimates are accurately calculated and based on adequate data. Such sanction is accorded by officers of the P.W.D. authorised to do so, depending on the amount of the estimate. If, subsequent to the grant of technical sanction, material structural alterations are contemplated, the orders of the original authority sanctioning the estimates are required to be obtained, even though no additional expenditure is involved. An officer of the C.P.W.D. may pass excesses over estimates provided that the excess is not more than 5 per cent of the amount sanctioned, and does not exceed the amount upto which he is empowered to accord sanction to an original estimate, except that a Divisional

Officer of the C.P.W.D. may pass excess expenditure within a limit of Rs. 250 on sanctioned original works and repairs, irrespective of the total amount of the sanctioned estimate. No officer of the C.P.W.D. is authorised to pass any excess over a revised estimate sanctioned by a higher authority than himself.

(iv) Appropriation or Re-appropriation of Funds

2.1.5. This represents the allotment of a particular sum of money to meet expenditure on a specified object; it is operative only for the financial year for which it is made.

2.1.6. To ensure the sufficiency of the authority for incurring expenditure on a work, Central Audit has been watching the expenditure against (1) expenditure sanction, where required to be issued separately, (2) technical sanction to estimate, and (3) allotment of funds. Without the specific orders of a Government issued with the concurrence of the Comptroller and Auditor General, the Audit Officer is not required to watch that the work has received the necessary administrative approval or that the same is not exceeded without proper authority. But, in respect of the Central Civil Works the Audit Officer is required to see that administrative approval has been accorded and the excess over it, if any, has been approved by the competent authority.

2.1.7. A return of all estimates sanctioned by the Divisional Officer (including those sanctioned by Sub-Divisional Officer under him) is sent to the Audit Office every month with copies to Superintending Engineer and Additional Chief Engineer/Chief Engineer.

2.2. Observations and Recommendations

2.2.1. Generally speaking, audit of works expenditure should be conducted against financial sanctions and/or allotment of funds. It is, therefore, necessary for audit to be supplied with such sanctions, administrative approval, where required to be accorded separately, should be presumed to have been given by the competent authority when financial sanction (known as expenditure sanction on the Central side) for Major Works and orders containing allotment of funds for Minor Works are communicated to Audit.

2.2.2. As stated in para 2.1.4 above, the necessity for "technical sanction" is to ensure that the proposed construction is structurally sound and that the estimate has been correctly prepared. This technical aspect of the construction, apart from the financial aspect, is primarily meant to ensure control by engineers. There is, therefore, no great necessity for submitting technical sanctions to the Accountant General. What is necessary is that there should be a technical estimate for the work prepared by the Department; the existence or otherwise of such estimates can be seen in local audit. Where, however, detailed accounts of individual works and projects are kept by the Accountant General centrally, he will have to keep such accounts for each individual work for which technical estimates have been sanctioned. In respect of projects (consisting of a group of works), the expenditure sanction for which exceeds Rs. 25 lakhs, and non-project works the expenditure sanction for which exceeds Rs. 10 lakhs, the Accountant General will maintain records of expen-

diture on works and, therefore, technical sanctions need be communicated to him for such works only. In respect of other works, he will review the position generally through the Schedule of Works Expenditure.

2.2.3. It is recommended that only financial sanctions and allotment of funds need be communicated to Audit. In the case of large works (the estimated cost of which exceeds the limits specified in para 2.2.2 above), "technical sanctions" should also continue to be communicated to the Audit Office.

2.3. *Submission of Abstracts of Estimates to Audit*

2.3.1. The Note below para 84 of the C.P.W.D. Code (Revised Edition, 1959) requires that for works costing Rs. 5 lakhs or more, copies of abstracts of technically sanctioned estimates for the project as a whole, or for component parts or small parts of such projects, should be supplied to the Audit Officer by the sanctioning authority along with the Return of Estimates. In view of the recommendation in para 2.2.3 above, it will no longer be necessary for Audit to be supplied with copies of the Abstracts of Estimates unless specifically asked for. The provisions of the Note below para 84 of the C.P.W.D. Code may, therefore, be suitably modified.

2.4. *Excess over Technical Sanction.*

2.4.1. In accordance with the existing provisions (contained in para 77 of the C.P.W.D. Code), an officer of the C.P.W.D. is empowered to pass excesses over estimates provided the excess is not more than 5 per cent of the amount sanctioned and does not exceed the amount upto which he is empowered to accord sanction to an original estimate. The Working Group considers that the second proviso, viz., that the excess should not exceed the amount upto which an officer is empowered to accord sanction to an original estimate, may be deleted as it involves unnecessary and avoidable references to higher authorities.

2.5. *Excess over Expenditure Sanction.*

2.5.1. Para 73 of the C.P.W.D. Code provides that any excess of more than 5 per cent over the amount to which expenditure sanction has been given requires a revised expenditure sanction. It is recommended that, to avoid the necessity of having to obtain revised expenditure sanctions too frequently, the excess over the expenditure sanction upto 10 per cent should be permissible. Para 73 *ibid* may therefore be suitably amended.

2.6. *Raising the minimum monetary limit for classifying a work as "Major Work".*

2.6.1 Major Works and Minor Works are accorded different treatment in the budget and accounts. Specific allotment is made for each individual Major Work, while lump sum appropriations are made for Minor Works and repairs or maintenance in respect of each minor head or group of works, *vide* rules 22 and 24 of Appendix 6 to the C.P.W.A. Code. In the case of Major Works, accounts are maintained by sub-heads in the Works Abstracts and Registers of Works, the division into sub-heads being usually guided by the classification sanctioned in the abstract of estimate (*vide* para 258

et. seq. of the C.P.W.A. Code). A separate sub-head is required to be opened in the accounts of a Major Work for each sub-head estimated to cost not less than Rs. 2,000, the remaining sub-heads being usually lumped together.

2.6.2. In the C.P.W.D. a work is treated as a "Major Work" if the sanctioned amount of works expenditure exceeds Rs. 20,000, *vide* para 4(32) *ibid.* This limit was fixed as far back as 1926, upto which year it stood at Rs. 10,000. In some States, e.g., Madras and Assam, it is as low as Rs. 10,000. Since the limit was last raised, the cost of construction has increased considerably, but the limit of Rs. 20,000 stands unaltered.

2.6.3. Having regard to the present day cost of materials and labour and to obviate the necessity of having to maintain detailed accounts in respect of far too many works which could be called small in the changed context, the Comptroller and Auditor General suggested in 1960 that this limit should appropriately be raised to Rs. 50,000. While this suggestion was accepted by some State Governments and the limit was raised by them to Rs. 50,000, the Government of India, Ministry of Finance, were not inclined to accept this suggestion as works of a capital nature costing more than Rs. 20,000 are, under a uniform policy decision taken in 1955, financed from the Capital Budget. It was felt by that Ministry that the proposed raising of the monetary limit would involve shifting of the budget provision for works costing upto Rs. 50,000 from the Capital to the Revenue Budget. In order to remove such an apprehension, the Comptroller and Auditor General advised the Accountants General that it may be made clear to the State Governments that their acceptance of the suggestion to raise the monetary limit for Major Works, would not in any way affect or vary in implementation of the policy decision of 1955, inasmuch as there is no bar to Minor Works costing upto Rs. 50,000 being debited to the Capital Account outside the Revenue Account. The proposal for raising the limit of Major Works was, however, not pressed on the Government of India and other State Governments who opposed it.

2.6.4. The matter has been considered afresh by us, and it is felt that, having regard to the increase in prices, it will be realistic to raise the limit of Major Works to Rs. 1 lakh at this stage. This will lead to a considerable reduction in the budgetary and accounting work. Since the powers of the Executive Engineers of the CPWD to accord technical sanctions to detailed estimates and to accept the lowest tenders, have recently been raised from Rs. 40,000 to Rs. 1 lakh, the acceptance of the proposed limit for Major Works will mean that all the works requiring technical sanction of the authorities higher than the Executive Engineers will be treated as "Major Works", while those falling within the powers of the Executive Engineers will be treated as "Minor Works".

2.7. Maintenance of Accounts of Major Works by Sub-heads.

2.7.1. Although the primary object of the accounts of works is to exhibit simply but accurately the actual cost of work done, the rules require the keeping of separate accounts for the several component parts of a major work. The important reason for the posting of accounts by sub-heads, apart from the need for statistical informa-

tion which they satisfy for the analysis of the comparative cost of various classes of works, types of buildings, etc., is to enable the Divisional Officer to exercise efficient financial control over the recorded transactions of the cost of the work by its various component parts by a monthly comparison of the cost of the various parts as recorded in the accounts with the value received in the shape of work done. In order to achieve this object, provision has been made in para 258 of the C.P.W.A. Code that in the case of a Major Estimate, a separate account should be maintained for each sub-head estimated to cost not less than Rs. 2,000. (In the case of Major Works which are executed against lumpsum contracts it is not necessary to book the expenditure by sub-heads). In the absence of orders of the Divisional Officer to the contrary, the remaining sub-heads (i.e., those costing less than Rs. 2,000) are lumped together. Besides, the Superintending Engineer or other sanctioning authority has discretion to require the maintenance of accounts of Minor Works also by sub-heads in cases where such accounting is considered necessary by him. The Superintending Engineer has also powers to dispense with the maintenance of account by sub-heads, if he considers that the circumstances of the work render such accounts useless or impossible to maintain.

2.7.2. The account of each sub-head is also required (with certain exceptions) to exhibit the "progress" (i.e. total quantities executed from time to time) and the "rate of cost" (i.e. cost per unit on the basis of recorded amount and progress.)

2.7.3. The Working Group took note of the fact that the Registers of Works have not generally been maintained properly in recent decades inasmuch as the expenditure is not usually posted by sub-heads. Although the main reasons for this state of affairs, as observed by the Rates and Costs Committee, are the commencement of Works without detailed estimates, and the insufficiency of details shown therein, the fact remains that with considerable increase in the number of Works, usually costing above Rs. 20,000/-, carried out in a Division, the posting of expenditure by sub-heads has become a cumbersome process. Nor is the "rate of cost" generally worked out, which shows that Divisional Officers do not usually turn to the accounts of works for exercising financial control over the progress of works or comparison of costs, for which sub-head posting was designed. Moreover, a large majority of the works is now-a-days executed through the agency of contractors. In such cases, while the progress of work and expenditure thereon can and should be watched with reference to the sanctioned Estimates, cost control through the Sub-head accounts seems rather meaningless, particularly when the requisite details are available in the contractors' bills.

2.7.4. Irrespective of the recommendation contained in para 2.6.4. above regarding raising the minimum monetary limit for classifying a work as Major Work, the Working Group are of opinion that it is not necessary to maintain the accounts of a work or sub-work costing Rs. 1 lakh or less by sub-heads. Such accounting by sub-heads should only be limited to works estimated to cost above Rs. 1 lakh, and then only in respect of works carried out departmentally or by contract for labour only. This would afford the much needed relief

to the accounts staff of the Divisional Offices as the maintenance of detailed accounts in respect of works below that limit will not be necessary. The position would then be as under:—

- (a) *Works executed through contractors with whom lump sum contracts or agreements for completed items of work have been entered into.*

In such cases, the up-to-date quantities, rates and amounts paid for the various items of work as well as the totals pertaining to each sub-head of the work are available in the contractors' bills. It should, therefore, be possible for the Divisional Officers to exercise financial control through the running and the final bills of contractors. It is also not necessary to keep the accounts of Major Works in details by sub-heads, as the Deviation Statements, the rates of cost of different items of work and the Completion Reports can be obtained/prepared from the bills themselves. We are, therefore, of the view that, in such cases, the maintenance of accounts by sub-heads is not necessary even where the work is estimated to cost more than Rs. 1 lakh.

- (b) *Works executed departmentally or by contract, where the agreement is for labour rates only.*

The maintenance of accounts by sub-heads may be confined to such Major Works only, the estimated cost of which exceeds Rs. 1 lakh, separate booking of expenditure being confined to sub-heads estimated to cost not less than Rs. 20,000/-. The remaining sub-heads should be lumped together in the accounts of works.

2.8. Material-at-Site Accounts.

2.8.1. In order to control the issue of materials to individual works, an account of all materials which are brought to the site of a work by the department for use in construction is required to be kept. This account is commonly known as Material-at-Site (M.A.S.) Account and shows the receipts, issues and balances of materials as the transactions occur. At present, the M.A.S. Accounts are required to be maintained both for materials issued to the contractors (whose agreements are for finished items of work or for labour only) and those issued direct to the works which are executed by the department. Generally speaking, both quantities and values are required to be shown in the case of "Major" Works, while the accounts of "Minor" Works and repairs are maintained only by quantities. The detailed procedure is laid down in paras 237 to 256 of the C.P.W.A. Code.

A brief history leading to the evolution of the existing procedure is given below:

2.8.2. The old P.W.D. Code provided that in the case of works the accounts of which are kept by sub-heads, the day-book would be accompanied by a materials account showing the sources of receipt of materials brought to the site of the work and their issue to the sub-heads of the estimate on which used up. The value of the unused balance of materials remaining at the site of the work at the

end of the month was debited to a temporary sub-head in the Register of Works of each estimate called "Material-at-Site". Such unused materials appeared in the opening balance of the materials account for the following month. Purchase of materials made by the S.D.O. was required to be charged off, as far as possible, at once to a final sub-head instead of being passed through the materials account.

2.8.3. At the time of drafting the P.W. Account Code (1922), it was held that the accounts of works did not exhibit in a reliable form the transactions connected with materials and that the Executive Engineers and S.D.Os. received little assistance from their accounts in exercising financial control on those transactions although much clerical labour was spent on the preparation of the accounts. It was, therefore, sought to substitute the Material-at-Site account by "a simple 'Materials Account' (later Form CPWA 35) in respect of materials issued direct to a work, as distinguished from those issued to a contractor for use on the work", and in respect of the latter it was provided that (1) the entire cost of materials should at once be debited to the contractor's personal ledger account and (2) recoveries may be made from him gradually as the materials are used by him in construction. Provision was also made for verification of balances, and it was anticipated that executive officers would, under the revised procedure, have better general control over the accounts of materials. A few years later, however, the Provincial Governments of Bengal, Madras and C.P. expressed various difficulties in adopting the revised procedure and adopted different forms of Materials Accounts with the approval of the Auditor General. It was intended mainly to account for materials which were kept in the custody of Government pending issue to contractors as and when necessary.

2.8.4. In 1950, however, the Comptroller and Auditor General took up the question of bringing the provisions relating to the Material-at-Site accounts in the C.P.W.A. Code in line with the corresponding provisions of the Madras P.W. Account Code. The concurrence of the Chief Engineer, C.P.W.D. and the Ministry of W.H. & S. for the proposed changes was obtained in 1955, and the revised provisions were introduced in C.P.W.A. Code in 1956 through correction slips Nos. 29 to 49 introducing/amending paras 237-A to 256 and a few revised forms in the C.P.W.A. series. The changes are explained in the succeeding paragraphs.

2.8.5. Under the procedure introduced in the C.P.W.D. in 1922 and obtaining upto 1955, all materials required for issue to a contractor were to be made over to him as soon as they were received (c.f. para 240, C.P.W.A. Code) and their value was to be debited in the accounts of the work to the suspense head "Contractors—Other transactions" and the use of M.A.S. accounts, as in the past, was not contemplated in such cases. The suspense head "Materials" in the Works accounts and Form 35 were to be used only in the case of works executed wholly by the P.W.D. or in cases where the contract was for labour only.

It was considered in 1950 that, as pointed out by the State of Madras in 1928, this procedure suffered from the following defects:—

(1) It gave rise to much trouble as the transfer of considerable quantities of materials to contractors immediately on their arrival, generally long before they were actually required for use on works, was risky. Even the contractors themselves often did not wish to take possession of materials long before they were required for actual use, which involved the risk of storage and looking after them for long periods.

(2) Form 35 contained a concurrent record of materials brought on to the site of work from various sources, but not of those issued for use in construction. Consequently, the actual balance of materials at the site of works could not be checked with the paper balances until the work had been measured and the amount of materials used had been worked out by the application of the authorised formulae to the completed items of work. Though this method attempted to link the materials actually used on the work, as worked out by the prescribed formulae with those brought to site, and the actual verified balance, the process was very elaborate and the correctness of the results depended entirely on the accuracy of the formulae adopted for working out the quantities actually used on the work. It was also difficult with the new forms to make a surprise check of the materials at site as the balances were not readily available in the accounts unlike the old (i.e. pre-1922) Form (Form 7-F).

2.8.6. Under the revised procedure introduced in 1956 (based on that introduced in Madras in 1928), the M.A.S. Account is a concurrent record of all departmental materials brought on to site of a work for use on that work and for actual issues of materials either (a) to contractors or (b) to departmental officers for execution of works done departmentally.

2.8.7. The following forms (based on Madras Forms) have replaced C.P.W.A. Forms 35, 37 and 38:—

- (1) *Form C.P.W.A. 35 (Revised)*: Account of Receipts, Issues and Balances of Materials compared with estimated requirements.
- (2) *Form C.P.W.A. 35-A*: Monthly account of Receipts, Issues and Balances of Materials-at-Site of work.
- (3) *Form C.P.W.A. 35-B*: Register of Receipts, Issues and Balances of Materials compared with estimated requirements.
- (4) *Form C.P.W.A. 35-C*: Annual Register of Receipts, Issues and Balances of Materials-at-Site of Minor and Repair Works.
- (5) *Form C.P.W.A. 35-D*: Return showing the Receipts, Issues and Balances of Materials-at-Site of Minor and Repair works.
- (6) *Form C.P.W.A. 37 (Revised)*: Statement showing the quantities and values of Materials used in construction.
- (7) *Form C.P.W.A. 38 (Revised)*: Register showing the clearance of the Suspense Head 'Material-at-Site'.

(In the Works Abstract and Register of Works for Major Works—Forms 33 and 40, the column for the Suspense Head "Materials" has been broken up into two sub-columns for 'Receipts' and 'Issues'

2.8.8. The Working Group took note of the fact that the maintenance of M.A.S. accounts has generally been neglected in recent decades. In fact, the accounts have either not been maintained at all or have been kept in an incomplete state in most of the P.W. Divisions in the States as well as in the C.P.W.D. Further, the preparation of these accounts involves considerable labour and in actual practice little use is made of them.

2.8.9. Whatever may be the alleged advantages of the revised procedure introduced in 1956, there is no doubt that it is very elaborate, seeing that the maintenance of these accounts was generally neglected even before the procedure was revised.

2.8.10. Having considered the matter in all its aspects, we have come to the following conclusions:—

(i) *Materials issued to Contractors whose agreements are for completed items of work.*—In such cases, it is the responsibility of the Sub-Divisional Officer to see that all materials issued to a contractor from time to time for use on a work, remain within the estimated requirements of his contract, vide Para 244 of the C.P.W.A. Code. With this end in view, the issue to contractors of important items of stores like cement and steel are required to be compared with the theoretical requirements of the work, and in case it is discovered that a certain item has been issued in excess of the actual requirements of a work, recoveries at penal rates are made in accordance with the Standard conditions of Contract. In view of this position and the fact that all such issues are debited to the personal Ledger Account of the Contractors through which the recovery of cost is watched, it is recommended that M.A.S. Account need not be maintained in such cases.

(ii) *Materials issued direct to a Work.*—Material-at-Site Accounts need be maintained only in the case of Works costing more than Rs. 1 lakh executed departmentally or by contract when the contract is for labour only. The cost of principal items of materials, i.e. those items the estimated cost of which exceeds Rs. 2,000 each and which are charged direct to work, should be debited to the Suspense sub-head "Materials" in the account of the work. A numerical account of all such items showing the receipts, issues and balances, should be kept in the sample form at Annexure I. The physical verification of unused materials under each principal item with the balance shown in the numerical account should be made when the officer in direct charge of the work is transferred and also at the time of its completion, but in the absence of any such contingency, the verification should in any case be made at the close of each financial year. After the completion of a work theoretical calculations of the principal items used on the work under each sub-head should be made and compared with the quantities issued as per numerical account. On the basis of theoretical calculations the sub-head "Materials" should be cleared by debiting the cost of materials to the concerned sub-heads at the standard issue rates prevailing at the time of completion of the work, and any plus or minus balance under the sub-head "Materials" transferred to a new sub-head "Additional Charges for materials issued to contractors/direct to work", amplifying the existing sub-head (c.f. para 267 *ibid*) accord-

ingly. Necessary calculations of theoretical requirements and adjustments would be made in the sample form at Annexure 2. The cost of petty items of materials, i.e. those not estimated to exceed Rs. 2,000 each, will be charged *ab initio* to the sub-head concerned in the account of work and numerical account of them need not be kept.

Notwithstanding the above recommendation, we are of the opinion that even in the case of works costing more than Rs. 20,000/- (which are at present treated as major works) but not more than Rs. 1 lakh, some control over the issue of materials is necessary, even if the accounts of works are not maintained by sub-heads. Although the materials issued to such works will be charged straight-away to "Final charges", a numerical account in the Form at Annexure 1 should be maintained in respect of principal items.

For works costing not more than Rs. 20,000/- and repair works, a M.A.S. account should not ordinarily be kept, as control on the issue of materials can conveniently be exercised in such cases, but if there is an accumulation of materials for a number of works, a simple numerical account may be maintained at the discretion of the Divisional Officer.

2.9. Contractors' Bill Forms.

2.9.1. At present three forms, viz., Form CPWA-25, 26 and 27 are prescribed for use as Running Account Bills for contractors and suppliers (other than for lump sum contracts). It is considered that since Form CPWA 26 contains all the information, Forms 25 and 27 may be abolished with a view to reduce the multiplicity of forms which also involves higher printing cost. As, however, secured advances are given only in a small percentage of cases and the use of Form 26 in its present form will involve considerable wastage of paper since Section II of the form will in most cases not be necessary, the present Section II (Account of Secured Advances) may be taken out from the form and printed as a separate sheet and the bill in Form 26 may be used for all running account and final payments to contractors and suppliers (other than for lump sum contracts for which Forms 27-A and 27-B are prescribed), attaching the account of Secured Advances to the Bill, where necessary. The form for the Final Bill may be a coloured one, as at present.

2.9.2. *Advance Payments*.—(1) Columns 1 to 3 of Section I of the existing Bill Form 26 relate to advance payments for work done but not measured. On the consideration that it is not necessary to keep an itemised control over advance payments in Central Audit—which would in any case be available to the Engineers in the Measurement Book—and to further simplify the Bill Form, it is recommended that these columns may be omitted therefrom and the Memorandum of Payments be suitably modified.

(2) The existing procedure for assessing the value of work done for the purpose of making advance payments seems to be rather inconvenient and it takes not an inconsiderable amount of time of the engineers to make the assessment without detailed measurements of the work executed, for which advance payment is to be made. To ensure better utilisation of the technical personnel so as to allow more time for supervision, it is suggested that advance payments:

(without measurements) may be made at pre-determined levels. These levels may be indicated in the estimates themselves, and it should not be left to the discretion of the Executive Engineers to determine these levels. Normally measurements may be taken in alternate months, but if it is administratively necessary, payments may be made both for measured work as well as advance payments in the same month.

2.9.3. A specimen of the revised Bill Form and its Annexure (Account of Secured Advances), prepared on the basis of above recommendation, is given at Annexure 3.

2.10. Accounts of Petty Works.

2.10.1. Para 108 of the C.P.W.D. Code lays down the procedure to be followed in the case of Petty Works. The limit upto which a work may be regarded as "petty" was Rs. 1,000/- prior to 1926, when it was raised to Rs. 2,500/-. From August 1962, this limit has been further raised to Rs. 5,000/-, which incidentally is the limit upto which Assistant Engineers/Asstt. Executive Engineers of the C.P.W.D. are empowered to accord sanctions to detailed estimates of works and also to award a work to the lowest tenderer.

2.10.2. Accounts of "Petty" works are required to be maintained in Form C.P.W.A. 32, which is a combined estimate and account of the work, *vide* para 258 of the C.P.W.A. Code. In such cases, it is not necessary to prepare a detailed estimate of the work, nor is it necessary to maintain a separate Works Abstract. During our visit to a certain Division, we found that though the prescribed form was being used in the case of small estimates, Part IV thereof was not actually made use of, necessitating the maintenance of separate Works Abstracts and Register of Works. It is, therefore, recommended that the existing form, after substituting Parts III and IV by a revised form as indicated at Annexure 4, which will serve the purpose of both the Works Abstract and the Register of Works and also provides for the record of Suspense transactions, if any, should be used in all cases in which its use is authorised, i.e., for works costing not more than Rs. 5,000/- each. This will give a complete record of petty works from sanction to completion, and no other form would then be used for Petty Works.

2.11. Discontinuance of the preparation and submission of Labour Reports.

2.11.1. Para 197 of the C.P.W.A. Code requires the preparation of Labour Reports from the Muster Rolls in respect of work done by daily labour entertained departmentally. As provided in Para 100 of the C.P.W.D. Code, a Divisional Officer may require these reports in the prescribed form (CPWD 30), showing the number of each class of labourers employed on each work or sub-work, to be submitted to him at such intervals as he may direct. As soon as the Labour Reports are received (in the Divisional Office), discrepancies between them and the Muster Rolls are required to be investigated, *vide* para 204 of the C.P.W.A. Code. The present practice in the C.P.W.D. is that, in addition to marking attendance in the Muster Rolls, Labour Reports are prepared in each case and submitted daily to the Divisional as well as the Sub-Divisional Officer.

2.11.2. It will be seen that these reports, which indicate the number of labourers of each category employed on a particular day, are intended to serve as a check against manipulations in the Muster Rolls. The Working Group were informed that ordinarily, in a typical Maintenance Division, not less than 5000 Labour Reports are prepared in a year and that, in actual practice, not much use is made of them inasmuch as both the Muster Rolls and the Labour Reports are prepared by the same subordinate. Since both the Muster Rolls and the Labour Reports are received from the same source, the check of one by the other is of doubtful efficacy. In view of this position, the work involved would seem to be rather unnecessary in a large majority of the cases. Moreover, provision exists for surprise check, at intervals, of the record of attendance in the Muster Rolls, by responsible officers of the Sub-Division. The Divisional Officers are also required to check occasionally the marking of attendance in the Muster Rolls.

2.11.3 Taking into account the above position, we are of the view that the preparation of the Labour Reports is an unnecessary paper work which can be avoided in the large majority of cases. We therefore, recommend that the preparation and submission of these reports may be dispensed with except in respect of Muster Rolls containing names of more than 15 persons. The Working Group were also informed that the Special Reorganisation Unit of the Ministry of Finance had also recommended the abolition of these Reports to the Chief Engineer with suitable safeguards against manipulation in the Muster Rolls.

2.12. Abolition of Part II of the Muster Rolls (Form C.P.W.A. 21).

2.12.1. Para 205(d) of the C.P.W.A. Code provides that if any items of payments due to the labourers remain unpaid, the details thereof should be recorded in Part II (Register of arrears of wages due to work people) of the Muster Roll, Form C.P.W.A. 21. Unpaid items are required to be carried forward from Muster Roll to Muster Roll until they are paid, the payments being recorded and certified to in Part II in the same way as payments of current items. It is optional, however, with the Divisional Officer to adopt any other alternative method of making payments of unpaid wages, provided that a systematic record of items remaining unpaid and their subsequent payments is maintained on the basis of original entries made in Part II of the Muster Roll and that suitable precautions are taken to prevent double payments, *vide* para 205(e) *ibid*.

2.12.2. The Working Group were informed that, generally, the second alternative is adopted by the P.W. Divisions. Under this method, the items remaining unpaid are noted in a suitable Register. The subsequent payments are made on Hand-Receipts, Form C.P.W.A. 28, and, in order to avoid double payments, a record thereof is kept in this Register. It is felt that the first procedure, which involves the carrying forward of unpaid wages from Muster Roll to Muster Roll is inconvenient and serves no special purpose. The second method, which is generally prevalent in the C.P.W.D. Divisions, is therefore preferable to the first one and may, with advantage, be adopted by all Divisions. In the circumstances, we recommend that

Part II of the Muster Roll may be abolished and the details of unpaid wages kept in the "Register of Unpaid Wages", the form of which may be standardised. A form of the Register is suggested in Annexure 5. This Register should be maintained in the Sub-Divisional Office so that a labourer may not have to go to the Divisional Office to receive payment of his unpaid wages. Necessary reference of payment of wages may be made in Divisional/Sub-Divisional Office in the relevant Muster Roll.

2.13. Review of Measurement Books.

2.13.1. According to para 211 of the C.P.W.A. Code, the Sub-Divisional Officers are required to submit the Measurement Books in use to the Divisional Office from time to time so that at least once a year, besides other checks exercised, the entries recorded in each book may be subjected to a percentage check by the Divisional Accountant under the supervision of the Divisional Officer. Under the detailed instructions on this subject, laid down in para 5.604 of the C.P.W.D. Manual, Vol. II, the Divisional Accountant is required to make a percentage check of the entries in each Measurement Book with a view to test-check the accuracy of the calculations and to ensure that the books are otherwise in order with reference to the instructions contained in para 209 of the C.P.W.A. Code and any subsidiary rules framed thereunder.

2.13.2. The Working Group were informed that, in a Public Works Division, usually 300 to 400 Measurement Books are always current and these are required to be reviewed by the Divisional Accountant once a year. It was pointed out that the calculations made in the Measurement Books are checked in the Divisional Office cent per cent under the supervision of the Divisional Accountant who further conducts a percentage check of the calculations at the time of payment of the running or final bills. The annual review by the Divisional Accountant however, involves a lot of work in practice. The result of this is that, in almost all Divisions, this review falls into arrears and is commented upon by Audit during local inspection. While the review of the books before their final record in the office seems necessary and should continue, the second arithmetical check of entries in the course of their annual review (during the currency of the books) seems hardly necessary, particularly when these are fully checked before payment of contractors' bills.

2.13.3. In view of the position explained above, it is recommended that the review and check enjoined in para 211 of the C.P.W.A. Code and para 5.604 of the C.P.W.D. Manual, Vol. II, may be confined to a general examination only of the Measurement Books and that it is not necessary for the Divisional Accountant to check a percentage of the calculations in the "Contents" column of the Measurement Books or to have this done under his supervision. Para 5.604 of the C.P.W.D. Manual, Vol. II, will also require suitable amendment.

2.14. Scrutiny of Contractors' Bills and Muster Rolls with reference to Measurement Books.

2.14.1. At present contractors' bills and Muster Rolls are checked cent per cent with reference to entries in the Measurement Books both in the Sub-Divisional and Divisional Offices at the time of passing them for payment. While cent per cent check of contractors' bills in the Divisional Office is necessary and should continue, the quantum of check in the Sub-Division can be reduced. It would suffice if the Sub-Divisional clerk test-checks 50 per cent of the entries in the Measurement Books from which the bill is prepared. In the case of Muster Rolls, the check with reference to Measurement Books in the Sub-Division may be to the extent of 50 per cent in the Sub-Division and 50 per cent in the Divisional Offices.



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CHAPTER III

STORES ACCOUNTS

3.1. *Initial and Subsidiary Accounts.*

3.1.1. The general directions issued by the Comptroller and Auditor General in regard to the maintenance of initial accounts of Stores are laid down in Articles 96 to 103 of the Account Code, Vol. III. These directions as well as the rules for the maintenance of subsidiary accounts of stores are contained in paras 102 to 141 of the C.P.W.A. Code. The following forms have been prescribed under the existing procedure:—

- (i) Form C.P.W.A. 8—Register of Stock Receipts/Issues.
- (ii) Form C.P.W.A. 9—Abstract of Stock Receipts.
- (iii) Form C.P.W.A. 10—Abstract of Stock Issues.
- (iv) Form C.P.W.A. 11—Half-yearly Balance Return of Stock.
- (v) Form C.P.W.A. 12—Half-yearly Register of Stock.

While Forms 8 and 11 are only numerical accounts, in Forms 9, 10 and 12 both quantities as well as values are required to be shown.

3.1.2. The following are some of the drawbacks of the existing procedure:—

- (i) The accounts are not capable of giving daily balances without stock-taking.
- (ii) The existing forms of abstracts of Stock Receipts and Stock Issues are not suitable for accommodating the large number of transactions that take place these days. Their preparation is also a complicated and lengthy process.
- (iii) The system of pricing of stores through the Half-yearly Register of Stock is inadequate and unwieldy, particularly where the number of items is large and transactions heavy. Further, the fixation and revision of issue rates every half year entails considerable delay and inconvenience, as the market rates have to be ascertained in the first instance.
- (iv) Payment of bills for stores received is often unduly delayed because of the existing procedure of reference to the sub-divisions for verification with reference to the entries made in the Measurement Books which are not always readily available.
- (v) The preparation and closing of Half-yearly Registers of Stock at the end of every half-year involves considerable clerical labour inasmuch as hundreds, and in some Divisions thousands, of items have to be copied out in the new Registers. The result is that the preparation of the registers is usually heavily in arrears in P.W. Divisions.

- (vi) Due to the non-closing of Half-yearly Stock Registers in time, the issue rates for the ensuing half-year are not fixed or revised.
- (vii) Since the balances are known only after the half-yearly returns of stock are closed, the physical verification thereof is generally in arrears. Consequently, the discrepancies between the book balances and the ground balances are seldom, if ever, reconciled. The stores are also not susceptible of surprise check.
- (viii) As the balance of various items are not readily available, it becomes difficult to exercise inventory control.

3.1.3. The existing system was designed for a normal P.W. Division which could, in the present circumstances, be termed light, and is not particularly suitable for heavy Divisions, especially those dealing solely with stores. We therefore recommend that this procedure may be replaced by the one described below, which is simple and more accurate and under which the accounts cannot only be kept uptodate, but would also reflect the position obtaining from day to day. It is modelled on the system which is now common in commercial concerns. A more or less similar procedure has long been in vogue in the Madras Electricity Department as well as in certain River Valley Projects. The Rates and Costs Committee have also recommended a procedure on similar lines.

3.1.4. The basic changes recommended are:—

- (i) Replacement of the Register of Stock Receipts/Issues (Form CPWA 8) by Bin Cards;
- (ii) Replacement of Monthly Abstracts of Stock Receipts/Issues (Forms C.P.W.A. 9 and 10) by Daily Goods Received Sheets and Stores Indents and monthly summary of indents (values only) to show allocations of issues to works by contra credit to "Stock"; and
- (iii) Replacement of the Half-yearly Balance Return of Stock (Form CPWA 11) and Half-yearly Register of Stock (Form CPWA 12) by a Priced Stores Ledger.

3.1.5. *Priced Vocabulary of Stores.*

The Stock Account is, at present divided into eleven sub-heads, viz., Building Materials, Timber, etc. (c.f., para 352 of the CPWA Code). With the increase in the number and complexity of materials which are now-a-days required to be handled by the Stores Division, it has become necessary to codify the stores on a scientific basis. The Rates and Costs Committee have also recommended the adoption of a decimal system of classification and codification of Stores on River Valley Projects. Stores Nomenclature and Price Lists have also been prescribed for use in the Railways. The Working Group are of the opinion that, in order to ensure accuracy of posting of all transactions and facilitate the preparation and valuation of indents, a list of materials in stock, showing their correct description and indentifying numbers (commonly known as Priced Vocabulary of Stores), should be evolved on the basis of an up-to-date classification of stores, which should be uniformly adopted through-

out the C.P.W.D. The Issue Rates should be filled in by the Divisions concerned who should circulate them for use by other Divisions obtaining supply of stores from them. These vocabularies should be kept up to date by issue of correction slips as and when necessary.

3.1.6. *Receipt of Stores.*

All materials received for Stock should, after measurement or weighing, be taken directly in Goods Received Sheets, instead of being entered in Measurement Books as at present. A sample form of Goods Received Sheet is given in Annexure 6. The Goods Received Sheets will be printed in the form of booklets and will be duly machine-numbered. These will be prepared in triplicate (in quadruplicate, if the payments are made by the S.D.O.) by carbon process in indelible ink or copying pencil, one copy being retained by the store keeper and two copies sent to the Sub-Divisional Office, out of which one copy will be passed on to the supplier and the other to the Divisional Office for posting the Stores Ledger and making payments. The Goods Received Sheet will not be valued in the Sub-Division but will be valued in the Divisional Office.

In filling up the Goods Received Sheets the description and code Nos. of materials as given in the Priced Vocabulary of Stores should be strictly adhered to.

3.1.7. *Issue of Stores.*

The indenting sub-division will prepare five copies of the indent in the revised form (which will have separate columns for the quantity indented and the quantity actually issued) suggested in Annexure 7, by carbon process and simultaneously enter the particulars thereof in the Register of Indents (Form in Annexure 8). The particulars of these indents should be filled in with reference to the Priced Vocabulary of Stores referred to in para 3.1.5 above. One copy of the indent will be retained as office copy and the other four presented to the supplying division. The store keeper in the supplying division will issue the materials, enter quantity issued in all the copies, retain one copy with him for completing his records and return the second copy at once to the indenting officer. The third and fourth copies of the indent will be sent by the store keeper to his Divisional Office. The Divisional Office will price the third and fourth copies and use the third copy for posting the Priced Stores Ledger and the Divisionwise ledger of stores issued. The fourth copy will be sent in due course to the indenting division in support of their claim for payment.

In the indenting sub-division, the receipt of the materials will be recorded in the Measurement Book or Goods Received Sheet (according as the materials are required for a specific work or for "Stock") after comparing the quantity with the indent received back from the supplying Division and a certificate to that effect recorded on the indent. Simultaneously the entry regarding the actual quantity of materials received will be made in the Register of Indents against the quantity indented. This indent will then be valued with reference to the Priced Vocabulary of Stores and sent to the Divisional Office with the Omnibus Transfer Entry Order. When the OTEO is prepared and sent to the Division, the corresponding entries in the Measurement Book (in cases where the stores are received for specific

works) should be scored out, giving a reference to the O.T.E.O. When the claim is received in the indenting Division, the indent attached thereto should be verified with reference to the indent received from the sub-division along with the O.T.E.O. The verification and acceptance of the claim can thus be done in the Divisional Office itself without reference to the Sub-Division.

Since the indents can be posted directly into the Stores and Divisionwise Ledgers, separate Goods Issued Sheets and Abstracts of Stores Issued will not be necessary. For the purpose of accounts, it will, however, be necessary to prepare a monthly Summary of Indents (for value only), which will indicate, among other things, the allocation of issue to the various Works/Divisions, etc., by contra credit to "Stock". The Stores Ledger will have different Sections for different kinds of stores. Further, the amounts debitible to other Divisions would be worked out in the Divisionwise Ledger.

3.1.8. Bin Cards.—These cards, which will be kept at the place where the materials are stored, will be posted from the Goods Received Sheets and the Stores Indents and will show in a chronological order the receipts, issues and the running balance of each article of stock. The use of Bin Cards is not considered risky as there will be an independent record in the Stores Ledger in the Division built up from the same original documents, *viz.*, the Goods Received Sheets and the Indents. A Form for Bin Cards is given in Annexure 9.

3.1.9. Priced Stores Ledger.—This ledger will be maintained in the Accounts Branch of the Divisional Office and will have different sections or sets of pages for different articles of stock materials, with columns for receipts, issues and balances for both quantities and values. A form of the proposed ledger is suggested in Annexure 10. All items of receipts and issues will be entered from the Goods Received Sheets and Indents. The ledger will be closed for both quantities and values at the end of each month. The value will be posted from the bills on which actual payments have been made. In the case of stores which are not paid for within the month of receipt and of which the actual value will not be known till the supplier's bill is received and paid, an estimated figure should be adopted for bringing the liabilities in the Purchases Account (*c.f.*, para 345 of the CPWA Code) and also for the completion and closing of the Priced Stores Ledger.

A Divisionwise Ledger (*vide* Form given in Annexure 11) will also be kept in the Division which will indicate the amount due from a particular Division to which stores have been issued.

The above procedure, which is primarily designed to suit Central Stores Divisions, can be followed with such minor variations as may be necessary, in the case of ordinary Divisions also, in respect of the accounts of their general stores.

3.2. Fixation of Issue Rate.

3.2.1. According to para 118 of the C.P.W.A. Code, an "issue rate" is assigned to an article of stock as soon as it is brought on stock. Normally it remains constant throughout the year, but appreciable

variations are required to be watched and issue rates revised at once in important cases. When closing the Half-yearly Register of Stock, all issue rates have to be reviewed and revised, if necessary, to bring them within the market rates.

3.2.2. Due to the large number of items of stores and transactions involved in the present day circumstances, particularly in the Central Stores Divisions and Project Divisions, it has become increasingly difficult to keep pace with the pricing work within the stipulated period and the work has, therefore, in many cases, fallen into heavy arrears. Even in normal Divisions, in P.W.Ds., valuation of stock is not properly done while closing the Half-yearly Register of Stock.

3.2.3. The Rates and Costs Committee, which had occasion to consider and review this question, have recommended the adoption of the first purchase prices as the standard price of the store for the duration of the project, except for violent fluctuations in the prices of important stores when a corrigendum can be issued. Any profit or loss due to difference in rates can, according to the Committee be charged direct to work periodically so as to make costing of items realistic; and whenever violent fluctuations are noticed, the issue rates of articles should be worked out as best as possible at actuals plus approximation of items of expenditure not known at the time of receipt, and this issue rate will remain constant till such an occasion crops up again.

3.2.4. The Madras Electricity Department Manual provides that the Issue Rate should be worked out in the priced ledgers according to the "weighted average" method, viz., by dividing the total value of stores by the total quantity in stock. This method is required to be adopted every time any fresh stock is received, the quantity received together with the value thereof being recorded in the ledger and the issue rate calculated afresh for the entire quantity including articles newly received.

3.2.5. We consider that it is not necessary to raise the issue rates at every stage of acquisition, as this revision involves a lot of work which is in the long run not of much consequence and is thus avoidable. The review/revision of the issue rates of all articles every half-year is also not considered necessary. We therefore recommend that so far as controlled articles like cement, steel rods etc., are concerned, the issue rate should be revised whenever there is a change in the controlled price, but for other articles it would be enough to fix the issue rates at the beginning of the year, unless there is any material variation in the purchase rates in which case the issue rate of an article can be revised earlier, if necessary, at the discretion of the Executive Engineer.

The issue to contractors of materials, the supply of which is not provided for in the contract, will, if permitted by the Divisional Officer, be at the prevailing issue rate or market rate whichever is higher, as laid down in para 239 (b) of the C.P.W.A. Code.

3.2.6. *Adjustment of profit and loss on stock.*—Adjustment of profit or loss on stock, according as there is a credit or debit to Government at the end of the year, implies that any balance under the sub-heads of stock should be allocated among the works. Such adjustment in-

volves considerable work and does not obtain in the M.E.S. Loss can occur in the issue of materials to contractors if the stock issue rate is considerably higher than the rate stipulated in the contract for issue of the material to him from stock, which is not of common occurrence. Factually speaking, there is no real loss to Government—only the accounts of works may receive less or more debit. The allocation of the difference over the works is not, therefore, commensurate with the labour involved, and is considered unnecessary. All that seems necessary, is that the amount of annual excess or short-fall should be worked out for credit or debit to Government account, and this “profit” or “loss” should be taken into account while reviewing and fixing the issue rates for the next year.

3.2.7. *Handling charges.*—The Working Group also considered whether handling charges should be taken along with the actual cost of acquisition and railway freight in calculating the issue rate of an article of stock, as is done at present (*vide* para 118 of the CPWA Code). It is felt that while railway freight can easily be ascertained and there is no difficulty in adding it to the cost of acquisition, it is difficult to allocate the handling charges to the various articles of stock, as different kinds of stores are sometimes handled together and carried to the stores godown in the same transport. It is, therefore, suggested that a suitable percentage, based on the carriage and other incidental charges of the previous year, may be worked out for the haulage and added to the issue rate.

3.2.8. *Storage charges.*—The issue rate of stock does not at present take into account the storage charges, for which a separate storage rate is fixed and charges levied on all issues of stock *vide* paras 4 (27), 4 (55) and 121 of the CPWA Code. This involves a lot of work in calculating the storage charges for every issue from stock and is considered to be unnecessary. It is recommended, therefore, that the storage charges, as reviewed and fixed at the beginning of a year, may be added on a percentage basis so as to form part of the issue rate.

3.3. *Accounts of Tools and Plant* नयन

3.3.1. Para 143 of the C.P.W.A. Code provides that numerical accounts of articles of Tools and Plant, both ordinary as well as special, should be kept in accordance with the instructions in paras 145—150, *ibid*, a separate set of accounts being maintained in each Sub-Division and one in the Divisional Office, except when otherwise ordered by the Government under Note 1 below para 150. In the Central P.W.D., accounts of receipts and issues are maintained in Forms C.P.W.A. 13 and 14 and a consolidated Register showing the receipts, issues and balances is also kept in Form C.P.W.A. 15. A record of the detailed account, in the case of purchases from suppliers, is also required to be kept in the Measurement Book in the manner prescribed in paras 208 and 209 of the CPWA Code, *vide* Note 1 below para 145 *ibid*.

3.3.2. This procedure involves much labour. It is recommended that the receipt of Tools and Plant, instead of being recorded in the Measurement Book, may be taken into Goods Received Sheets, which may be termed “Tools and Plant Received Sheets” to distinguish them from the forms to be used in connection with the articles of “Stock”. The Form of Goods Received Sheets (Annexure

6) with suitable modifications, may be used as "Tools and Plant Received Sheets". These sheets may be prepared in duplicate and one copy sent to the Divisional Office. Each Sub-Division may maintain a Quantity Ledger of Tools and Plant, showing the accounts of receipts/issues and balance of each article. This ledger can be posted from the office copy of the "Tools and Plant Received Sheets" and checked by the Divisional Accountant with the copy of the "Tools and Plant Received Sheet" sent to the Division. Issues may be posted from the indents, to be called "Tools and Plant Indents", which may similarly be prepared in duplicate, one copy being sent to the Divisional Office. Periodical physical verification will be conducted with reference to the Sub-Divisional Ledger.

A Form of the Tools and Plant Ledger, which will be a consolidated record of the articles in hand, those temporarily lent or sent out for repairs (including those received back) and shortages awaiting adjustment, is suggested in Annexure 12.

3.3.3. The Accountant General will conduct Local Audit of these ledgers. Suitable provision should be made by the Comptroller & Auditor General for check by Audit of transfer of Tools and Plant articles from one Division to another.



CHAPTER IV

SUSPENSE ACCOUNTS

4.1. *London Stores*

4.1.1. The head "London Stores" is one of the sub-divisions of the minor head "Suspense", which is opened under the Public Works major head concerned. All transactions connected with Stores obtained through the India Stores Department, London, are passed through this head. The objects of this account are explained in paras 362 *et seq* of the C.P.W.A. Code.

4.1.2. The Working Group considers that this head can be abolished and the value of Stores obtained through the India Stores Department, London, can be credited to the Suspense head "Purchases" at the average rate of exchange, pending receipt and adjustment of the debit, when the head "Purchases" can be cleared and "P.W. Remittances" credited. This procedure will be in line with the one prescribed in paras 344 *et seq* of the Code.



CHAPTER V

TRANSACTIONS WITH OTHER DIVISIONS, DEPARTMENTS AND GOVERNMENTS

5.1. *Inter-Divisional transactions.*

5.1.1. Under Art. 19 of the Account Code, Vol. III, inter-Divisional transactions in respect of Divisions under the audit control of the same Accountant General are classified under the remittance head "Transfers between P.W. Officers". The originating Division sends an Advice of Transfer Debit or Credit, Form PWA 19, accompanied by necessary vouchers, in the case of debits, to the Division concerned. It is the responsibility of the debiting Division to see that the entry in its account is supported by the Acceptance of Debit or Advice of Credit as the case may be. The Division required to adjust the amount is expected to acknowledge the transfer on the prescribed Form (Form PWA 20), and Acceptance of Transfer Debit/Credit. As provided in Art. 185 *ibid*, the responsibility for the clearance of outstandings under this remittance head devolves on the Divisional Officers concerned. In the Audit Office, transfer transactions of this class are paired and the settlement of items awaiting adjustment is watched through a Broadsheet.

5.1.2. Under the present arrangements, considerable balances remain unsettled under this head in the books of the Accountants General. Although, under the rules the responsibility for the settlement of these transactions rests on the P.W.D. Officers, the present procedure tends to make the Accountant General responsible for their clearance and thus blurs the responsibility of the Divisional Officers. It was, therefore, proposed by the Comptroller and Auditor General some time ago that the head "Transfers between P.W. Officers" should be abolished and the inter-Divisional transactions passed through "Miscellaneous P.W. Advances/P.W. Deposits" pending clearance on cash basis by cheques/Bank drafts. The Ministry of Finance, however, pointed out that operation on the head "Miscellaneous P.W. Advances" would involve routing the transactions through the Grant voted by Parliament and add to the difficulties of regulating the provision for suspense transactions within the Grant. They, therefore, proposed that the head "Transfers between P.W. Officers" be taken outside the Remittance Section and treated as a Suspense minor head in the Deposit section of the account. This head could then be used for adjusting both credits and debits under the head "Transfers between P.W. Officers", the adjustments being made in cash, i.e., by cheques. (The settlement may be made at suitable intervals according to the magnitude of the transactions).

5.1.3. The Working Group was informed that the alternative suggestion of Ministry of Finance has been accepted by the Comptroller & Auditor General and that the detailed procedure to be followed in this regard is being worked out by his office on the lines of the system followed by separated Pay and Accounts Officers. The procedure when framed will apply to Stores Divisions as well as other

Divisions. It is, however, suggested that the cheque form to be used for these transactions should bear a distinct marking, viz., "Payment by book adjustment only", so as to distinguish them from ordinary cheques issued to contractors and suppliers. We expect that under the revised procedure, accumulation of heavy balances under the Remittance head in the books of the Accountants General will be eliminated.

The Working Group were informed that the procedure for settlement by cheques of transactions between one Division and another in different Account Circles has already been introduced by the Comptroller and Auditor General in consultation with the Government of India.

5.2. *Adjustment of debits for the D.G.S. & D. Supplies.*

5.2.1. The bulk of the equipment and materials used in construction are obtained by the C.P.W.D. through Central Purchase Organisations like the D.G.S. & D. The payment for the supplies received through the D.G.S. & D. are, under the existing rules made initially by the Pay and Accounts Officer of the Ministry of Works, Housing and Supply, who passes on the debits to the Accountant General. The latter, in turn, advises the debit to the Divisions for adjustment. This is a lengthy procedure requiring normally 4 to 6 months before the Divisional Accounts take cognizance of the debits.

5.2.2. In order to avoid this delay and to have prompt clearance of Suspense balances, the Rates and Costs Committee recommended that payments for such supplies should be authorised to be made direct to the suppliers by the officers receiving them in so far as the running and rate contracts are concerned. Another proposal for the settlement of such transactions, which has been under the consideration of the Comptroller and Auditor General for some time, is that instead of the Pay & Accounts Officer raising debits through the Accounts Officer of a Division on account of the cost of supplies made by the D.G.S. & D., he should claim reimbursement of the payments made by him, direct from the Divisions who would issue cheques for the amounts in question. It was expected that this would eliminate considerably the existing delay in the adjustment of the cost of supplies under the final heads and expedite the closing of works accounts.

5.2.3. The suggestion made by the Rates and Costs Committee for direct payment to the suppliers by the indentors, is not likely to be acceptable to the suppliers who would have to deal with many officers instead of a single agency, viz., the Pay and Accounts Officer. The Working Group was, however, informed that the Office of the Comptroller and Auditor General has been trying to introduce the alternative procedure of the Pay and Accounts Officers claiming reimbursement of payments made by them from the indentors direct, instead of through the Accounts Officers of the Divisions, but it has not so far been possible to persuade the Chief Pay and Accounts Officer, Ministry of Works, Housing & Supply, to agree to the proposal in view of the difficulty expressed by the latter in having to deal with a large number of Divisions spread all over India and his apprehension that delay on the part of the Divisions

in acceptance and payment will create serious complications. We, however, feel that under the revised procedure of stores accounting recommended by them, delays in the verification of stores are expected to be eliminated and there is little likelihood of any delay on the part of the Divisional Officers as apprehended by the Chief Pay and Accounts Officer. Further, if an additional copy of the Goods Received Sheet is prepared and sent to the supplier for being attached to his bill, this would enable the Divisional Officer to accept the claim expeditiously. Efforts should therefore be made to get the procedure of direct settlement accepted, at least, to start with, in so far as the Central Stores Divisions are concerned, as an experimental measure.

5.3. *Adjustment of land acquisition charges.*

5.3.1. When land is taken up for the P.W.D. by the Collector or other Civil Officer who is not a P.W. Disburser, the advances drawn by him from the Civil Treasury are generally classified (in the Accounts Office) under the head "T-Deposits and Advances, etc.—Objection Book Advances—Advances for compensation of land". On receipt of vouchers, award statements, etc. from the Land Acquisition Officer, this head is relieved and the debits are passed on to the Division by adjustment under the remittance head "III(b)-Items adjustable by the Public Works Officers". In certain States, e.g., Maharashtra and Madras, such amounts are straightaway adjusted by the Treasury Officer under the Head "III(b)" etc. and the Treasury Lists of Payments containing these charges are forwarded directly by the Treasury Officer to the Divisional Officer for eventual adjustment in the Works Accounts.

5.3.2. This procedure involves operation on the advances and remittance heads before the land charges finally enter the Works Accounts. Thus, the debits to the final heads and the Works Accounts are considerably delayed and very often the debits are misclassified, thus swelling the outstandings under the advances or the remittance head. It was, therefore, suggested that, with a view to simplifying this cumbersome procedure, the Land Acquisition Officers may be financed by the P.W. Divisional Officers direct and the advances paid by the latter classified under the suspense head "Misc. P.W. Advances", which may be cleared on receipt of vouchers and award statements etc. from the Collector.

5.3.3. The following objections were raised against the above proposal :

- (i) The outstandings under the suspense head "Misc. P.W. Advances" would increase.
- (ii) Double provision of funds will be necessary, once under the suspense head and again under the head to which the cost of the work (for which the land is acquired) relates.
- (iii) The suggested procedure will mean two different procedures for the adjustment of land acquisition charges, viz., one for P.W.D. and the other for "Civil" Departments.

- (iv) In case urgent demands of Land Acquisition Officers for funds are not promptly met by the P.W. Divisional Officers for want of sanction or otherwise, the aggrieved land-owners may file execution proceedings.
- (v) The proposed procedure will entail additional work in the Divisions.

5.3.4. The Working Group feels that the difficulties enumerated at (i) and (ii) above will be met if the advances, when paid to the Land Acquisition Officers, are debited direct to the Works Accounts under a Suspense head to be opened thereunder for the purpose. This procedure will be in keeping with the general principle that advances pertaining to a work should not be debited to the general suspense head "Miscellaneous P.W. Advances". Moreover, the Works Accounts will take cognizance of debits as and when payments are made. As regards the third objection that the proposal will mean two different procedures, *viz.* one for the P.W.D. and the other for the Civil Departments, the same cannot be helped, but this need not come in the way of its adoption if otherwise considered desirable on merits. As for the fourth objection, there is no reason why the Divisional Officers should not be able to meet the demands of the Land Requisition Officers promptly. The last objection that the proposed procedure would add to the work of the Divisions, does not seem to be real. On the contrary, we expect an all-round decrease in work.

5.3.5. We, therefore, recommend that, with a view to simplifying this cumbersome procedure, the Land Acquisition Officers may be financed by the P.W. Divisional Officers direct, and the advances paid by the latter may be debited direct to the Works Accounts under a suspense head "Land Acquisition", till possession of land is received or intimation of actual payments to the owners of land is received. The suspense head may be cleared by debit to the final head in the Works Account on receipt of vouchers and award statements etc. from the Collector. It is felt that this procedure will ensure adjustment of debits to the works concerned after a reasonable time, minimise the correspondence between the Land Acquisition Officer, the Audit Officer and the Executive Engineer, and also relieve to a great extent the burden under the Advances and the Remittance heads. If there is delay in the finalisation of the land acquisition proceedings, the accounts of a work can be closed, leaving the amount under the Suspense head "Land Acquisition" unadjusted, as in the case of the Suspense Account "Labourers", *vide* para 276 of the C.P.W.A. Code, and they may be reopened in case a refund has to be made or a further amount has to be paid. Adjustment of the outstanding amounts, if any, after the closure of the works accounts concerned may be watched through a suitable register.

5.3.6. If the suggestion is accepted, the "Rules for the payment of compensation land taken up under the Land Acquisition Act", incorporated in Appendix 6 of the Compilation of Treasury Rules, Vol. II will require suitable amendment.

CHAPTER VI

SUBMISSION OF ACCOUNTS TO AUDIT

6.1. *Modifications introduced by the Comptroller and Auditor General in 1962.*

6.1.1. The instructions for compilation of Monthly Accounts of Divisional Officers and their submission to the Accountant General are laid down in para 510 *et. seq.* of the C.P.W.A. Code and are based on the directions of the Comptroller and Auditor General contained in Chapter IV of the Account Code, Vol. III. These instructions stand modified to the extent indicated in the next paragraph, under a revised audit procedure introduced by the Comptroller and Auditor General with effect from the accounts for the month of April 1962, the main feature of which is increase in the frequency and scope of local inspections of P.W. Divisions, with a corresponding reduction in the scope and extent of Central Audit in the Audit Office.

6.1.2. *The modifications introduced are as follows:*

(1) The Schedule of Works Expenditure (Form C.P.W.A. 64) will in future be sent with the Monthly Accounts in a revised form, indicating the excesses, if any, over the sanctioned estimates, allotments, etc. The schedule will normally include only works in respect of which expenditure has been incurred during the month; but the schedule sent with the Monthly Account for September and March (Supplementary) should include *all* the works in progress in the Division and a copy of it should also be sent to the Superintending Engineer to apprise him of the excesses over estimates, allotments, etc.

(2) Extracts from the Contractors' Ledger (Form C.P.W.A. 82) need not be sent with the Monthly Accounts.

(3) The Half-yearly Register of Stock (Form C.P.W.A. 12) need not be sent to Central Audit.

(4) The accounts of receipts and issues of ordinary Tools and Plant (Forms C.P.W.A. 13 and 14) need not be furnished with the Monthly Accounts. The submission of the Annual Register of Tools and Plant (Form C.P.W.A. 15) has also been discontinued.

(5) The submission of the Schedule of Purchases with the Monthly Accounts has been discontinued but the following documents should be furnished with the Monthly Accounts:

(i) List of particulars of credits to the suspense head "Purchases" showing the Nos. and amounts of O.T.E. Orders, aggregating to the figure shown in the Classified Abstract of Expenditure (Form C.P.W.A. 74).

(ii) Abstract account of credits, debits and balances of the Purchases Account in the form of Pt. II of Form C.P.W.A. 69.

- (iii) A list of items outstanding under the suspense head "Purchases" for more than six months, to be furnished with the Monthly Accounts for September and March only.

(6) The Schedule of Deposits (Form C.P.W.A. 78) will be restricted to the items which are affected during the month.

(7) The Schedule of Miscellaneous P.W. Advances (Form C.P.W.A. 70) will also be restricted to items affected during the month. In addition, a list of items outstanding for more than six months should be furnished to the Audit Office every half-year with the Monthly Accounts for September and March.

6.1.3. Since the submission of a number of schedules and returns, hitherto required to accompany the Monthly Accounts, has now been dispensed with, the Division will be saved of a considerable amount of scriptory work. The issue by the Audit Office of monthly statements of objections relating to want of or excess over sanctioned estimates, etc., has also been dispensed with, as the Audit Office will now review the position through the revised form of the Schedule of Works Expenditure, and the Register of Works, etc., maintained by the Division, will be checked by the audit staff during local inspections. Objections relating to want of or excess over sanctioned estimates and allotments will now be confined by the Audit Office to works relating to projects costing Rs. 25 lakhs or more or other works costing Rs. 10 lakhs or more, and will be included in the monthly Audit Note. This will also considerably reduce the work in the Divisions connected with the disposal of Audit Notes and Objection Statements. We would, however, like to make a few more suggestions in the succeeding paragraphs in the direction of further reduction in the submission of accounts to Audit.

6.2. Schedule of Rents of Buildings and Land.

6.2.1. Para 526 of the C.P.W.A. Code requires *inter alia* that a Schedule of Rents of Lands and Buildings (Form C.P.W.A. 75) should be prepared and submitted to the Accountant General with the Monthly Account, unless the Government has prescribed in consultation with the Accountant General that the transactions covered thereby shall be audited by the latter locally at the periodical inspections of Divisional and other offices.

6.2.2. In the Central P.W.D., this Schedule is generally received with the Monthly Accounts and is audited centrally, except in the case of certain Divisions at Bombay, Calcutta, Dehra Dun, Dhanbad and Port Blair, where the local audit of Rent Schedules has been agreed to. As regards buildings at New Delhi and Delhi, the detailed check of assessment and recovery, and the upkeep of their accounts in the prescribed form, is conducted by a concurrent audit party in accordance with a special procedure.

6.2.3. In West Bengal, no Rent Returns are submitted monthly to the Accountant General and the transactions are audited locally. In other States, they are submitted monthly to the Accountant General for check in Central Audit, and it is further supplemented by local audit.

6.2.4. In 1961, the Comptroller and Auditor General advised all Accountants General that where the Rent Returns were not regularly received and considerable difficulty was being experienced in obtaining them, the desirability of having these returns checked locally but getting them every half year for Central Audit, might be considered in consultation with the Governments concerned. If, however, the monthly returns were received regularly and checked in Central Audit without much difficulty, the present practice might be continued at the discretion of the Accountant General.

6.2.5. The Working Group feels that six monthly submission will not be very useful to Central Audit as even the opening and closing balances will not be susceptible of check. They, therefore, recommend that the submission of Rent Returns to Audit may be dispensed with altogether as in West Bengal. The Register of Rents may be audited locally and the detailed procedure for the conduct of such audit prescribed by the Accountants General in consultation with the Governments concerned.

6.2.6. The Director of Audit, F.R.S.C.S. & M., recently reported to the Comptroller and Auditor General that the Ministries concerned have agreed to the proposal for the local audit of Rent Schedules. The Ministry of Works, Housing and Supply (now Works, Housing and Rehabilitation) was further reported to have suggested that the Divisional Officers need not be required to submit even the six-monthly returns as it would involve avoidable work in the Divisional Offices. The Director of Audit, therefore, proposed that the entire check of Rent Schedules may be done locally and this procedure may be made applicable to all the Divisions so as to have a uniform system. This proposal has since been agreed to by the Comptroller and Auditor General and necessary instructions have been issued to all concerned. Thus the procedure for the local audit of rent transactions now stands introduced in all the C.P.W.D. Divisions in the country. It is hoped that State Public Works Departments will also fall in line with this arrangement as it will do away with a considerable volume of scriptory work in the Divisions.

6.3. *Extracts of Registers of Revenue Realised and Refunds of Revenue (Form C.P.W.A. 46).*

6.3.1. Extracts from the Registers of Revenue Realised (Form C.P.W.A. 46) and the Register of Refunds of Revenue are required to be submitted to the Accountant General along with the Monthly Account, *vide* para 523 of the C.P.W.A. Code. These extracts are in the same form as the Registers maintained in the Division and are required to show the details of *all items* of revenue realised or refunds of revenue made during the month. The Working Group considers that the preparation of these extracts involves avoidable labour and it is not necessary to indicate the details of each item in the extracts. It would be enough if only the total amount booked under each minor and detailed head concerned is shown in the extracts, instead of giving the particulars of each item. A simplified form which can be used for this purpose is given as Annexure 13.

6.3.2. The classification indicated in the Form submitted with the Monthly Accounts will be checked during Central Audit, while the detailed audit of the revenue transactions may be conducted during local inspections.

6.4. Pay Bills of Work-charged Establishment.

6.4.1. Under para 525(a)(ii) of the C.P.W.A. Code, vouchers in respect of pay-bills of work-charged establishment, the appointment of which is sanctioned by authorities higher than the Divisional Officer, were required to be sent to Audit with the Monthly Accounts. The vouchers in respect of establishments sanctioned by the Divisional Officer were not required to be sent. But, following certain serious irregularities and considering that members of work-charged establishments are now practically on par with regular establishments in regard to service conditions, it was decided in 1960 at the instance of the Government of India, Ministry of Finance, that pay-bills of Work-charged Establishments, the entertainment of which is sanctioned by Divisional Officers, should also be submitted to Audit, so that they can be subjected to audit in the same way as pay-bills of regular establishments.

6.4.2. During the preliminary studies made by us it was represented that the new procedure, which necessitates the preparation of the bills in duplicate, with various prescribed enclosures, has increased work in the Divisions considerably, and much time is also taken in dealing with audit objections raised on these bills. It was therefore suggested to the Working Group that we should revert to the old procedure and that the payments to Work-charged Establishments may be checked in local audit.

6.4.3. It is considered that as there is now little difference in the conditions of service of Work-charged Establishments and regular Establishments, and the service of the former category is also pensionable, Central Audit, as introduced recently, cannot be given up *in toto* even though the preparation and submission of the pay-bills to audit with the Monthly Accounts has undoubtedly involved some amount of additional work in the Divisions. As, however, names are required to be omitted from pay-bills of Class IV Government servants in regular establishment (c.f., rule 268 of C.T. Rs. Vol. I) and the scope of Central Audit in respect of such bills is apparently limited, we would suggest that the submission of pay-bills to Audit in respect of members of the Work-charged Establishments corresponding to Class IV staff in regular establishments, may be dispensed with altogether, leaving it to Audit to exercise necessary checks during local inspections. Pay Bills of members of Work-charged Establishments corresponding to other categories of staff in regular establishments, should, however, continue to be sent to Audit with the Monthly Accounts for audit purposes as at present. This should give some relief to the Divisions.

6.4.4. The possibility of converting as much of Work-charged Establishment to regular establishment as possible should also be explored.

6.5. Raising the limit of vouchers not required to be sent to Audit.

6.5.1. Under para 525(a)(iii) of the C.P.W.A. Code (as it stood prior to the insertion of correction slip No. 99), cash vouchers for amounts not exceeding Rs. 25 were not required to be submitted to the Accountant General with the Monthly Account. This limit was raised at the instance of the Comptroller and Auditor General to

Rs. 50 in September 1960 after consultation with the Ministry of Works, Housing and Supply. Similar action has also been taken in most of the States.

We, however, feel that even this enhanced limit is far too low under the present day conditions. Further the work load in the P.W. Divisions has generally increased and they are in need of some relief. It is accordingly suggested that the existing limit of Rs. 50 may be further raised to Rs. 250. The effect of this would also be that, if the outlay on a work during a month consists of only Muster Roll Payments or other vouchers not exceeding Rs. 250, a Schedule Docket (Form C.P.W.A. 61) need not be submitted to Audit in respect of that work (c.f., Note 1 below para 511 of the C.P.W.A. Code). This will therefore afford some further relief to the Divisions.

6.5.2. Considering that most P.W. Divisions will now be inspected at half-yearly (instead of yearly) intervals, there should not be any difficulty in having such vouchers test-checked during local audit.



CHAPTER VII

MISCELLANEOUS

7.1. *Levy of Percentage charges on Works.*

7.1.1. As provided in para 201 of the C.P.W.A. Code in recording the cost of individual works in the accounts, no attempt is made to include therein any charge on account of general services like the establishment and tools and plant, the entire cost of which is adjusted in the general accounts under the prescribed heads of classification. However, para 4(a) of Appendix 5, *ibid* provides that when in a P.W. Division works are executed, the cost of which is met from sources other than "50—Civil Works (Central)", recovery of cost of establishment and tools and plant should be effected in all cases on a percentage basis, unless there are special orders of the Government to the contrary. Thus, no percentage charges are calculated on Works the cost of which is met out of '50—Civil Works', whereas for every other work, *e.g.*, those debitable to the Major Heads "78—Delhi Capital Outlay" and "81—Capital Account of Civil Works etc." percentage charges are calculated every month on the expenditure incurred. Apart from the difference in treatment, this leads to a lot of calculations and adjustments in the Monthly Accounts. It was pointed out to us that, since the general principle is not to include the establishment and tools and plant charges in the accounts of works, the logical course would be to distribute such charges among the various major heads of account concerned. It was, therefore, suggested that instead of calculating the percentage charges on each work every month, as done at present in the case of works executed by the C.P.W.D., an annual *pro rata* distribution of establishment and tools and plant charges might be made among the various major heads on which the expenditure has been incurred during the year.

7.1.2. The system of *pro rata* distribution at the end of each year contemplated above, which was set out in Appendix 7 of the P.W.A. Code, 1935 Edition, is still in vogue in many States, but was given up in the C.P.W.D. long ago. In the case of all works executed by the C.P.W.D. which are debitable to the heads other than "50—Civil Works" Establishment and Tools and Plant charges are recovered every month (annually in the case of New Delhi Municipal Committee, P. & T. Department, etc.) as indicated in the introductory Note to Appendix 7 *ibid*. There are, therefore, no similar provisions in the corresponding Appendix 5 of the C.P.W.A. Code. Annual *pro rata* distribution on these lines involves complicated adjustments and has been found to delay the closing of the annual accounts. In fact, in order to simplify the procedure for *pro rata* distribution of Establishment and Tools and Plant charges wherever it still exists, it was decided by the Comptroller and Auditor General in October 1961, that the calculation of the ratio of Establishment and Tools and

Plant Charges to the works outlay need not be made every year, and the ratio may be worked out quinquennially and the resultant ratio adopted in the course of the next four years. This means that, for a period of four years in a span of 5 years, the distribution of charges will be easy and automatic, resulting in considerable saving of labour and facilitating the timely closing of accounts.

7.1.3. The Working Group considers that there is no great necessity for charging major heads other than "50-Civil Works (Central)" with percentage charges on account of Establishment and Tools and Plant etc., when no actual recovery is involved. This also constitutes a departure from the general principle stated in para 201 of the C.P.W.A. Code that in recording the cost of individual works in the accounts, no attempt is made to include therein any charge on account of the general services like the Establishment and Tools & Plant, the entire cost of which is adjusted in the general accounts under the prescribed heads of classification. It is accordingly suggested that the levy of percentage charges may be confined to capital works or where actual recovery is involved, such as works executed on behalf of other Governments, Railways and Defence Departments/Commercial Undertakings or non-Government bodies.

7.1.4. It is also considered that the prescribed percentages for recovery of Establishment and Tools and Plant, etc., charges may be reviewed and revised, if necessary, once in every five years and that the percentage rates may vary according to the estimated value of the work, the slabs being fixed accordingly. The percentage charges determined on the basis of estimated cost of the work should be levied *annually* (and not monthly, as at present) on the expenditure incurred during the year on a work.

7.2. *Routing of replies to Audit Inspection Reports through the Superintending Engineer.*

7.2.1. Para 29 of the C.P.W.A. Code provides that Inspection Reports should be returned through the Superintending Engineer after the Divisional Officer has recorded his replies thereon; the Superintending Engineer will pass orders in respect of matters with which he is competent to deal finally and record his remarks (with a note of action taken) on all other points, before returning the documents to the Accountant General.

7.2.2. Under the present procedure, copies of the Inspection Reports issued to the Divisional Officers are also sent to the Superintending Engineer and the Government, and the Divisional Officers are required to return the Report with replies through the Superintending Engineer. This procedure is in conformity with the procedure followed in respect of the local audit of other Civil Departments.

7.2.3. It was pointed out that the Superintending Engineer has usually to call for a detailed report from the Divisional Officer before passing orders on a case, and therefore this procedure of having to route the Divisional Officer's replies through the Superintend-

ing Engineer causes delay in sending replies to the Audit Office and creates unnecessary work in Circle Offices. It was, therefore, suggested that para 29 of the Code may be modified so as to provide that the Divisional Officer may return the Inspection Reports direct to the Audit Office with replies; any serious irregularity noticed by the Audit Officer during local inspection or Central Audit can be taken up separately with the Superintending Engineer. Moreover under the revised procedure introduced by the Comptroller and Auditor General from 1st April 1962, P.W. Divisions will generally be inspected twice a year. This will lead to a considerable increase in the number of Inspection Reports to be handled by the Circle Offices. Notwithstanding this position, it will be desirable to ensure that the Reports are dealt with expeditiously so that final replies to the Audit objections may be available to Audit by the time next inspection falls due.

7.2.4. The Working Group have considered this question carefully. They consider it desirable that the Superintending Engineer should be kept in the picture in respect of the state of affairs in Divisions as disclosed by the Audit Inspection Reports. It is, however, not deemed necessary to route the replies of the Divisional Officer to *all* the paras of an Inspection Report through the Superintending Engineer. We therefore suggest that, while copies of the Inspection Reports issued by the Audit Office should continue to be sent to the Superintending Engineer, as at present, the Divisional Officer may send his first reply to an Inspection Report direct to the Audit Office with a copy of the reply to the Superintending Engineer. In respect of the points which the Audit Officer is unable to settle in the light of the Divisional Officer's replies, he will invite the comments of the Superintending Engineer or higher authorities as may be necessary before processing them further. This will expedite the disposal of the Inspection Reports and involve considerable saving of work in the Circle Offices.

CHAIRMAN

Sd/- A. K. Mukherji

MEMBERS

Sd/- R. N. Vasudeva

Sd/- B. K. Guha

Sd/- D. P. Karnik

Sd/- G. Benjamin

SECRETARIES

Sd/- T. S. Vedagiri

Sd/- P. K. Biswas.

New Delhi, the 19th March 1963.

CHAPTER VIII

SUMMARY OF RECOMMENDATIONS

Sl. No. (1)	Recommendation (2)	Ref. to para (3)
1	It is not necessary for Audit to be supplied with Administrative Approvals	2.2.1
2	Technical sanctions need be communicated to the A.G. only in respect of works relating to projects costing more than Rs. 25 lakhs and non-project works costing more than Rs. 10 lakhs	2.2.3
3	Copies of the Abstract of Estimates need not be supplied to Audit unless specifically asked for	2.3.1
4	The existing restriction in the second proviso of para 77 of the C.P.W.D. Code regarding the passing of excess expenditure over an estimate <i>viz.</i> , that the amount upto which an Officer is empowered to sanction an original estimate should not be exceeded, should be removed	2.4.1
5	A revised Expenditure Sanction should be necessary only if the actual expenditure exceeds the amount of original sanction by more than 10%, instead of 5%, as at present	2.5.1
6	The minimum monetary limit for classifying a work as "Major" work should be raised from Rs. 20,000/- to Rs. 1 lakh	2.6.4
7	In case of works executed through contractors the maintenance of accounts by sub-heads may be dispensed with	2.7.4
8	In the case of works done departmentally, or through contractors where the contract is for labour rates only, sub-head accounting may be confined to works costing more than Rs. 1 lakh	2.7.4
9	The existing limit of sub-heads prescribed in para 258 of the C.P.W.A. Code may be raised from Rs. 2,000/- to Rs. 20,000/-	2.7.4
10	Material-at-Site Accounts need not be maintained in respect of works executed through contractors'	2.8.10
11	In the case of works done departmentally, or through contractors, where the contract is for labour rates only, a M.A.S. Account may be maintained only if the estimated cost of the work is more than Rs. 1 lakh. This account may be only a numerical account	2.8.10
12	It is not necessary to maintain M.A.S. Account for "Minor" and repair Works	2.8.10
13	Forms 25 and 27 in C.P.W.A. series may be abolished and Forms C.P.W.A. 26 (as revised, <i>vide</i> Annexure 3) may be used for all running and final payments.	2.9.1
14	Advance payments for works done but not measured, may be made at pre-determined levels, which may be indicated in the sanctioned Estimates	2.9.2

1	2	3
15	Form C.P.W.A. 32, as revised (<i>vide</i> Annexure 4) may be used in all cases in which its use is authorised.	2·10·2
16	The preparation and submission of Labour Reports may be dispensed with, except in the case of Muster Rolls containing names of more than 15 persons	2·11·3
17	Part II of the Muster Rolls may be abolished.	2·12·2
18	A register of Unpaid Wages may be maintained in the Form given in Annexure 5	2·12·2
19	It is not necessary for the Divisional Accountant to recheck the entries made in the Measurement Books during the course of their "Annual Review"	2·13·3
20	The existing percentages for the scrutiny of Contractors' Bills and Muster Rolls with reference to Measurement Books in the Divisional and Sub-Divisional Offices should be reduced	2·14·1
21	An upto-date Priced Vocabulary of Stores, showing the correct description and identifying code numbers of the various items (completed in respect of Issue Rates by the Divisions concerned) should be prepared and adopted throughout the Central P.W.D.	3·1·5
22	The Register of Stock Receipts/Issues (Form CPWA 8) may be replaced by Bin Cards	3·1·4 and 3·1·8
23	The Abstract of Stock Receipts (Form CPWA 9) may be replaced by Goods Received Sheets	3·1·4 and 3·1·6
24	The existing Form of Indent for Stores may be revised so as to provide separate columns for stores indented and stores actually issued	3·1·7
25	The abstract of Stock Issues (Form CPWA 10) may be abolished and a Monthly Summary of Indents introduced instead	3·1·4 and 3·1·7
26	The Half-yearly Balance Return of Stock (Form CPWA 11) and the Half-yearly Register of Stock (Form CPWA 12) may be replaced by a Priced Stores Ledger	3·1·4 and 3·1·9
27	A Division-wise Ledger of issues of Stores may be introduced	3·1·9
28	The issue rate of an article of Stock may be fixed at the beginning of the year and it is not necessary to review/revise the same every half-year, and the issue rate need be revised only when material variations in the purchase rates are noticed	3·2·5
29	Adjustment of profit or loss on stock and the allocation of the balance under the sub-head of stock among the works at the end of the year is not necessary and that the "profit" or "loss" should be taken into account while reviewing and fixing the issue rates for the next year	3·2·6.

1	2	3
30	A suitable percentage based on carriage and other incidental charges of the previous year should be worked out for haulage and added to the issue rate . . .	3·2·7
31	The storage charges may be fixed at the beginning of a year and added on a percentage basis so as to form part of the issue rate . . .	3·2·8
32	The receipt and issue of Tools & Plant may be entered in the "Tools and Plant Received Sheets" and "Tools and Plant Indents" and a quantity ledger of Tools and Plant may be maintained in each sub-division . . .	3·3·2
33	The head "London Stores" may be abolished and the value of stores purchased through the India Stores Deptt., London, passed through "Purchases" . . .	4·1·2
34	The cheque forms to be used for settlement of inter-divisional transactions should bear a distinct marking viz., "Payment by Book Adjustment only" . . .	5·1·3
35	For supplies received through the D.G.S. & D., the Pay and Accounts Officers should obtain reimbursement of the payments (initially made by them to the suppliers) directly from the indenting Divisions, instead of claiming the amounts from the Accounts Officers, as at present . . .	5·2·3
36	The Land Acquisition Officers may be financed by the P.W. Divisional Officers direct and the advances made by the latter debited direct to the Works Accounts under a suspense head "Land Acquisition" . . .	5·3·5
37	The submission of Rent Returns to Audit may be dispensed with altogether . . .	6·2·5 ¹ and 6·2·6
38	The form of the Extracts of Revenue Realised/Re-funds of Revenue may be simplified . . .	6·3·1
39	The submission to Audit of vouchers relating to payments made to Class IV Work-charged Staff may be discontinued . . .	6·4·3
40	The possibility of converting as much of the W.C. Estt. as possible to regular Estt. should be explored . . .	6·4·4
41	The limit of vouchers not required to be submitted to audit should be raised to Rs. 250/- . . .	6·5·1
42	The levy of percentages on account of Estt. & Tools and Plant Charges may be confined to Capital Works or Works where actual recovery is involved, i.e., those executed on behalf of other Govts., Railways, Defence Depts., Commercial Undertakings or non-Govt. bodies . . .	7·1·3
43	The percentage charges determined on the basis of the estimated cost of a work, may be levied annually on the expenditure incurred during the year . . .	7·1·4
44	The percentages for Estt. and Tools & Plant Charges may be revised once in every 5 years . . .	7·1·4
45	The Divisional Officers may send their first reply to an Audit Inspection Report direct to the A.G.' . . .	7·2·4

ANNEXURES



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ANNEXURE I

(Para 2.8.10)

REGISTER OF MATERIAL-AT-SITE ACCOUNTS

1. Section_____ Estimated requirement _____
2. Name of work_____ Issue Rate_____
3. Name of Article_____

S. No.	Date of Receipts/Issues	Received from/ Issued to	Receipts	Issues	Balance	Remarks
1	2	3	4	5	6	7



ANNEXURE 2

(Para 2.8.10)

REGISTER SHOWING THE CLEARANCE OF THE SUSPENSE HEAD "MATERIALS"

Division Name of work

Sub-Division

I.—Statement showing the quantities and value of materials used in construction.*

Name of sub-head of work	Quantity executed	Description of material	Cement	Steel	Total value
		Unit	Ton	Ton	
		Rate			
		Quantity/Value .			
Brick Work . . .					
Pucca Masonry . . .					

*Total used in construction.

The quantity used in construction should be calculated on the basis of quantities of work executed, such authorised formulae being adopted for the purpose as may be in use locally.

II.—Statement showing the adjustment of surpluses/deficits.

1. Quantities issued as per Material Register.
2. Quantities used as per Part I of this Register.
3. Difference (+) Excess Issue.
(—) Less issue.
4. Explanation of differences.

Certified that the quantities of the various items shown in the above statement have been worked out as accurately as possible on the basis of the quantities of the work actually done.

Orders of the Divisional Officer.

Sub-Divisional Officer.

Executive Engineer.

—Division.

III. Statement showing the disposal of materials remaining unused as per Material-at-Site Accounts.

How disposed of (with reference to authority)	Description	TOTAL	Total value to be adjusted			Head of Account to be debited.	Divisional Accountant's dated initial
			If debited to sub-head of this work.	Amount.	Month of adjustment.		
	Quantity						
	Value						
Transferred to S.D.O. Sub-Dn.							
Sold by auction							
Loss debitabale to sub-head.							
TOTAL							

When there are two or more entries in column 6 relating to each sub-head of estimate they should, in the case of works the accounts of which are kept by sub-heads, be totalled and the total recorded in column 7 for posting the Works Abstract.

II—Certificates and Signatures.

1. The measurements on which are based the entries in columns 1 to 6 of Account 1 were made by.....on.....and are recorded at page.....of Measurement Book Nos.....

%2. Certified that in addition to and quite apart from the quantities of work actually executed as shown in column 4 of Account 1, some work has actually been done in connection with several items, and the value of such work (after deducting therefrom the proportionate amount of secured advances, if any, ultimately recoverable on account of the quantities of materials used therein) is in no case, less than the advance payments as per item 2 of the Memorandum of Payments made or proposed to be made, for the convenience of the contractor, in anticipation of, and subject to the results of, detailed measurements, which will be made as soon as possible.

Dated signature of Officer
preparing the bill (Rank)

Dated signature of Contractor. £Dated signature of Officer authorising payment (Rank)

% This certificate must be signed by the Sub-Divisional or Divisional Officer.

£ This signature is necessary only when the Officer who prepares the bill is not the Officer who authorises the payment. In such a case the two signatures are essential.

III—Memorandum of Payments.

1. Total value of work actually measured, as per Acct. I, Col. 5, Entry (A). Rs. nP.

2. Total "up-to-date" advance payments for work not yet measured, as per details given below :—

Rs. nP. (B)

(a) Total as per previous bill.....

(b) Since previous bill.....as per page.....of M.B. No.

3. Total "up-to-date" Secured Advances on security of materials, as per Annexure (Form 26A), Col. 8, Entry (C).

4. Total (Items 1+2+3).....

5. Deduct amount withheld :—

Figures for Works Abstract

(a) From previous bill as per last Running Account Bill

Rs. nP.

(b) From this Bill

6. Balance, i.e. "up-to-date" payments (Items 4—5). (K)*

7. Total amount of payments already made as per Entry (K) of last Running Account Bill No.....of.....forwarded with accounts for.....19.....

8. Payments now to be made, as detailed below :—

(a) By recovery of amounts creditable to this work :— Rs. nP.	R.s. nP. } (a)	} 8
Total 5(b)+8(a).....(G)		
(b) By recovery of amounts creditable to other works or heads of accounts:—	} (b)	
(c) By cheque**		
Total 8(b)+(c).....(H)		

Pay Rs. ‡(.....)**by cheque

Dated initials of Disbursing Officer.

Received Rs.‡(.....).....as per above memorandum, on account of this work.

Dated the

(Amount in vernacular)

£Witness.....

Stamp.
Full signature of Contractor

Paid by me, vide cheque No.....dated.....19 .
Dated initials of person actually making the payment

*This figure should be tested to see that it agrees with the total of items 7 and 8.

**If the net amount to be paid is less than Rs. 10/- and it cannot be included in a cheque the payment should be made in cash, this entry being altered suitably and the alteration attested by dated initials.

‡Here specify the net amount payable *vide* item 8(c).

‡The payee's acknowledgement should be for the gross amount paid as per item 8 (i.e. $a+b+c$).

£Payment should be attested by some known person when the payee's acknowledgement is given by a mark, seal or thumb impression.

IV—Remarks

(This space is reserved for any remarks which the Disbursing Officer or the Divisional Officer may wish to record in respect of the execution of the work, check of measurements or the state of contractor's account).

(To be annexed to Form 26 where necessary)

Name of Work.....

S. No. of the Bill to which the
Account pertains. Cash Book Voucher No. dated.....
Reference to Agreement.....

Account of "Secured" advances allowed on the security of materials brought to site.

Quantity out- standing from previous bill	Deduct quan- tity utilised in work mea- sured since previous bill.	*Quantity out- standing (in- cluding quan- tity brought to site since previous bill).	Full rate as as- sessed by the Divisional Officer.	Description of Materials.	Unit	Reduced rate at which ad- vance is made.	**Up-to- date amount of advance.	Reference to Divisional Officer's written or- ders autho- rizing the advance.	Reasons for non-clearance of advance when out- standing for more than three months.
			Rs. nP.			Rs. nP.	Rs. nP.	No.	date
I	2	3	4	5	6	7	8	9	10

Total amount outstanding as per this account.....(C)
 Deduct amount outstanding as per entry (C) of Annexure to the previous bill.....
 Net amount since previous bill (in words)—Rupees.....(E)

*Entries relating to each description of materials should be posted thus in column 3. First enter the difference between quantities in columns 1 & 2. Then show below this entry, the quantities, if any, brought to site against which a further advance has been authorised, this entry being prefixed by the plus sign. Finally, strike the total of the two entries, which will represent the total quantity outstanding.
 **Entries in column 8 show the money values of the total quantities outstanding as per column 3.

†Certified (1) that the plus quantities of materials shown in column 3 of the Account above have actually been brought by the contractor or to the site of the work and the contractor has not previously received any advance on their security (2) that these materials are of an imperishable nature and are all required by the contractor for use on the work in connection with items for which rates for finished work have been agreed upon, and (3) that a formal agreement in Form 31 signed and executed by the contractor in accordance with paragraph 288(a) of the Central Public Works Account Code is recorded in the Divisional Office.

Dated signature of officer preparing the Bill
 (Rank)
 ‡Dated signature of officer authorising payment
 (Rank).....

†These certificates must be signed by the Sub-Divisional or Divisional Officer.

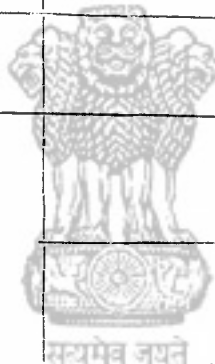
‡This signature is necessary only when the officer who prepares the bill is not the officer who authorises the payment. In such a case the two signatures are essential.

ANNEXURE 4

(Para 2.10.2)

PETTY WORKS REQUISITION AND ACCOUNT FORM C.P.W.A. 32

PART III—SUMMARY OF CHARGES

Brief Particulars	Cash Book voucher or transfer entry book item No.	Final charges	Suspense Account		Total cost	Total of the month	Up-to- date total	Initials of S.D.O.	Initials of Divi- sional Accountant
			(To be operated when necessary)						
									

GRAND TOTAL

The work was completed on.....

Checked and found correct

Remarks of Divisional Officer for passing
excess.

Signature of Sub-Divisional Officer.

Divisional Accountant.

Divisional Officer.

ANNEXURE 5

(Para 2.12.2)

REGISTER OF UNPAID WAGES

Name of Work—

Sl. No.	Muster Roll No.	Name of labourer	Father's name	Period to which the amount relates	Amount due	Amount paid	Initial of the SDO	Cash voucher No. and date	Remarks
1	2	3	4	5	6	7	8	9	10



Note:—The name of work should be mentioned at the top before recording the entries relating to that work.

ANNEXURE 6

(Para 3.1.5)

GOODS RECEIVED SHEET

Division _____
 Sub-division _____
 Section _____
 Name of supplier _____

Sl. No.	Date	Invoice/R.R. No.	Purchase/Supply order No.	Description of material	Stores Code No.	Quantity	Unit	Rate
			No.	Date				
			4A	4B				
1	2	3	4	5	6	7	8	9

Amount	Incidental charges	Amount, including incidental charges	Bin Card No.	Stores ledger folio	Reference to payment voucher or adjustment of debit	Remarks including result of test check by superior officers
					No.	Date
					15A	15B
10	11	12	13	14	15	16

Dated signature & designation of the officer entering measurements.

Note:—A separate G.R.S. should be prepared in respect of goods purchased from one supplier.

ANNEXURE 7 (Para 3.1.6)

PUBLIC WORKS DEPARTMENT

Government of.....

No.....

Date.....

Stores Indent on.....Division.....

Division.....

Sub-division.....

Sl. No.	Description of Stores	Code No.	Quantity indented	Quantity issued	Unit	Rate Rs. nP.	Value Rs. nP.	Head of Account	Name of work/job (with name of contractor from whom value is recoverable)

Name of the person to whom the Stores are to be delivered		Issued on....	Received	Bin Card No.	Ledger Folio & S. No. of item
Dated Signature of Indentor and his designation	Signature of authorised agent	Signature Designation	Signature Designation	Signature of Store-Keeper	Ledger-Keeper Accountant

ANNEXURE 8
(Para 3.1.6)

REGISTER OF INDENTS

Sl. No.	Indent		Description of Stores	Code No.	Quantity indented	Name of work (with name of Contractor from whom recoverable)	Signature of Indenting Officer	Quantity received	Reference to O.T.E.O.	Remarks
	No.	Date								

ANNEXURE 9

(Para 3.1.7)

BIN CARD

Article	Bin Card No.	Maximum Stock
Code No.		Minimum Stock
Unit		Ordinary level
Issue Rate	Signature of Issuing Officer.	

Date	GRS/Indent No.	Quantity	Balance	Initials of Store-Keeper or other Official	Remarks
		In 3A	Out 3B		
1	2	3	4	5	6

ANNEXURE 10 (Para 3.1.8)

PRICED STORES LEDGER

ub-Division _____
Section _____

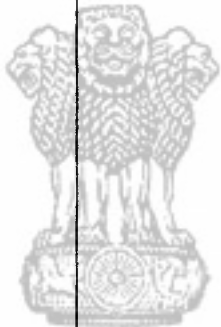
Article _____
Maximum _____
Minimum _____
Ordering level _____
Code No. _____
Unit _____
Issue Date _____ from _____
_____ from _____

Sl. No.	Date	From whom received/ issued	To whom	GRS/Indent	Receipts				
					Quantity	Rate	Value	Incidentals	Total
					5A	5B	5C	5D	5E
1	2	3		4					5

Issue	Balance		Reference to payment or adjustment of debit		Initials of poster		Initials of the Divl. Acctt.		Remarks including reference to Serial No. of item to which excess/short amount paid, if any, relates
	Quantity	Value	Quantity	Value	Voucher/TEO No.	Date			
6A	6B	7A	7B	8A	8B				
6			7		8		9	10	11

(Para 3.1.8)

Name of Division..... Month.....

S. No.	Indent No.	Date	Value of Stores issued
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Total value of Stores
issued.....

A.T.D. No.....date.....

Acceptance No.....

date

Accounts Clerk. Divisional Accountant.

ANNEXURE 12
(Para 3.3.2)

TOOLS AND PLANT LEDGER

PART I--ARTICLES IN HAND

Name of Article—

Sl. No.	Date	From whom received	T & P Received Sheet No. & date	Permanent Transactions		*Temporary Transactions		Total Receipts (5A + 6A)	Total Issues (5B+6B)	Balance	Reference to voucher- or adjust- ment of value	Initials of Sub- Divisional Clerk	Remarks
		To whom issued		Receipts	Issues	Receipts	Issues						
1	2	3	T&P In- dent etc. No. & date 4	5A 5B		6A 6B		7	8	9	10	11	12
				5		6							

*represents articles temporarily lent or sent out for repairs.

PART II—ARTICLES TEMPORARILY LENT OR SENT OUT FOR REPAIRS

Sl. No.	Name of person or Division	Name of Article	Issues		Receipts		Balance	Initial of Sub-Divisional Clerk	Remarks
			Date of issue	No. issued	Date of receipt	No. recd. back			
1	2	3	4A	4	5A	5	6	7	8
				4B		5B			

PART III—SHORTAGES AWAITING ADJUSTMENT

Sl. No.	Name of person or Division	Name of Article	Number found short	Reference to recovery or write off	Remarks, including action taken for the clearance of shortages outstanding for more than three months
1	2	3	4	5	6

ANNEXURE 13 (Para 6.3.1)

Name of System-----

Schedule of
(i) Revenue Realised
(ii) Refunds of Revenue
(iii) Receipts & Recoveries on Capital Account

Division-----

Major Head-----

	Minor Heads (and detailed Heads)	Recoveries of Expenditure		Misc.	Total
		Estt.	T&P	Other re- coveries	
1. Amount brought forward from the last month .					
2. Amount pertaining to this month					
3. Total for the month					
4. Deduct Refunds					
5. Net up-to-date carried over to the following month . .					